

Debt Service Policy

Debt Service Policy

The City's goal is to fund capital improvement projects on a "pay-as-you-go" basis whenever possible. For large infrastructure projects or large pieces of equipment, debt financing is sometimes required. The City's debt management objective is to maintain levels of debt service that does not adversely impact tax or utility rates and does not hinder the City's ability to effectively operate the utility systems, street network, or other facilities. Debt financed projects must meet the City's long-term financing criteria as included in the Fiscal and Budgetary Policy.

When the City of Stephenville utilizes long-term debt financing, it will ensure that the debt is soundly financed by:

- Conservatively projecting the revenue sources that will be utilized to pay the debt.
- Financing the improvement over a period of time not greater than the useful life of the asset.

Debt and Tax Rate Limitations

All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal and interest on the Bonds within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City and limits its maximum ad valorem tax rate to \$2.50 per \$100 of assessed valuation for all City purposes.

Calculation of Legal Debt Margin – October 1, 2005

| | |
|--|---------------------------------|
| Taxable Assessed Valuation | \$645,521,116 |
| Constitutional Limit | 2.50% of assessed valuation |
| Maximum Constitutional Revenue Available | \$16,138,028 |
| Tax Rate to Achieve Maximum Tax Revenue | \$2.50 per \$100 of valuation |
| Tax Rate for FY 2005-2006 | \$0.4750 per \$100 of valuation |
| Available Unused Constitutional Max Tax Rate | \$2.05 of assessed valuation |

The City operates under a Home Rule Charter that adopts the constitutional provisions. Under rules promulgated by the Office of the Attorney General of Texas, such office will not approve tax bonds of the City unless the City can demonstrate its ability to pay debt service requirements on all outstanding City tax bonds, including the issue to be approved.

General Debt Service

General Obligation Interest and Sinking Fund

This fund derives its revenue from property taxes. The amount of the taxes levied is determined by the City Council. The function of this fund is to retire bonded indebtedness and pay the interest on the indebtedness. The debt, which this fund retires, was issued by the City for General Fund capital equipment and infrastructure.

Water/Wastewater Bonds

Detail for Utility-related debt is located in the non-departmental section of the Utility Fund's budget.

Current Debt Requirements

The total Debt Service requirement for the City of Stephenville in fiscal year 2006-07 is \$. The total General Obligation debt service requirement for fiscal year 2006-07 is \$525,106 while the Water and Sewer systems bond requirement equals \$.

Funds for the G.O. Debt Service expenses will come from ad valorem taxes (\$470,100) and a contribution by the Capital Projects Fund (\$55,000). The Water and Sewer System Bonds are funded by and paid directly from the Utility Operating Fund.

The following pages detail the future annual principal and interest requirements for the City's outstanding debt obligations as of October 1, 2006. Through 2024, the City has as total of \$ in principal to retire and \$ in interest payments.

General Debt Service Fund,

Debt Service accounts for all funds required to finance the payment of interest and principal on all general debt, serial and term, other than the payable exclusively from special assessments and revenue debt issued for and serviced by a governmental enterprise. The City has authorized the following issues:

General Obligation Bonds

General Obligation Bonds, Series 1996 – On May 7, 1996, the City Council authorized the issuance of \$2,000,000 in bonds for the purpose of paying, in whole or in part, the City contractual obligations incurred for the acquisition, construction and equipment of certain public improvements for the City consisting of (i) the acquisition of fire department equipment, including a pumper truck, an aerial truck and a booster truck, (ii) the acquisition and renovation of a building located at the corner of Washington and Columbia Streets in the City for use as a new city hall and the acquisition of an adjacent parking lot, (iii) the construction and equipment of a new maintenance service facility, (iv) the renovation of the existing city hall for use as a public safety building, and (v) to pay the associated costs of issuance.

General Obligation Bonds, Series 1998 – On June 2, 1998, the City Council authorized the issuance of \$2,700,000 in bonds for the purpose of providing funds to finance the costs of *improving streets within the City* and extending and improving water and sewer lines related in connection with such street improvements and to pay the associated costs of issuance.

08 -DEBT SERVICE FUND
FINANCIAL SUMMARYBUDGET REPORT
AS OF: AUGUST 31ST, 2006

| ACCT NO# | ACCT NAME | ACTUAL 2004-2005 | Y-T-D ACTUAL 2005-2006 | BUDGET 2005-2006 | % USED | PROPOSED 2006-2007 | DIFFERENCE |
|------------------------------------|----------------|---------------------|------------------------------|---------------------|--------|-----------------------|--------------|
| <u>REVENUE SUMMARY</u> | | | | | | | |
| 0 | TAXES | 447,803.28 | 433,824.81 | 425,500.00 | 101.96 | 470,100.00 | 44,600.00 |
| 5 | OTHER REVENUE | 93,058.13 | 99,432.74 | 96,500.00 | 103.04 | 56,000.00 | (40,500.00) |
| *** TOTAL REVENUE *** | | 540,861.41 | 533,257.55 | 522,000.00 | 102.16 | 526,100.00 | 4,100.00 |
| <u>EXPENDITURE SUMMARY</u> | | | | | | | |
| <u>DEBT SERVICE</u> | | | | | | | |
| 01 | TOTAL EXPENSES | 531,582.02 | 480,921.76 | 522,000.00 | 92.13 | 526,100.00 | 4,100.00 |
| *** DIVISION TOTAL *** | | 531,582.02 | 480,921.76 | 522,000.00 | 92.13 | 526,100.00 | 4,100.00 |
| *** FUND TOTAL EXPENDITURES *** | | 531,582.02 | 480,921.76 | 522,000.00 | 92.13 | 526,100.00 | 4,100.00 |
| REVENUES OVER/(UNDER) EXPENDITURES | | 9,279.39 | 52,335.79 | 0.00 | 0.00 | 0.00 | 0.00 |

08 -DEBT SERVICE FUND
REVENUESBUDGET REPORT
AS OF: AUGUST 31ST, 2006

| ACCT NO# | ACCT NAME | ACTUAL 2004-2005 | Y-T-D ACTUAL 2005-2006 | BUDGET 2005-2006 | % USED | PROPOSED 2006-2007 | DIFFERENCE |
|------------------------------|------------------------|---------------------|------------------------------|---------------------|--------|-----------------------|--------------|
| 0 TAXES | | | | | | | |
| 4001 | PROPERTY TAXES | 441,150.32 | 430,066.28 | 420,500.00 | 102.27 | 470,100.00 | 49,600.00 |
| 4003 | PENALTY & INTEREST | 6,652.96 | 3,758.53 | 5,000.00 | 75.17 | 0.00 | (5,000.00) |
| ** REVENUE CATEGORY TOTAL ** | | 447,803.28 | 433,824.81 | 425,500.00 | 101.96 | 470,100.00 | 44,600.00 |
| 5 OTHER REVENUE | | | | | | | |
| 4501 | INTEREST ON CHECKING | 3,058.13 | 4,932.74 | 2,000.00 | 246.64 | 1,000.00 | (1,000.00) |
| 4590 | OPERATING TRANSFERS IN | 90,000.00 | 94,500.00 | 94,500.00 | 100.00 | 55,000.00 | (39,500.00) |
| ** REVENUE CATEGORY TOTAL ** | | 93,058.13 | 99,432.74 | 96,500.00 | 103.04 | 56,000.00 | (40,500.00) |
| *** FUND TOTAL REVENUES *** | | 540,861.41 | 533,257.55 | 522,000.00 | 102.16 | 526,100.00 | 4,100.00 |

BUDGET REPORT
AS OF: AUGUST 31ST, 2006

08 -DEBT SERVICE FUND
 DIVISION - DEBT SERVICE
 DEPARTMENT EXPENDITURES

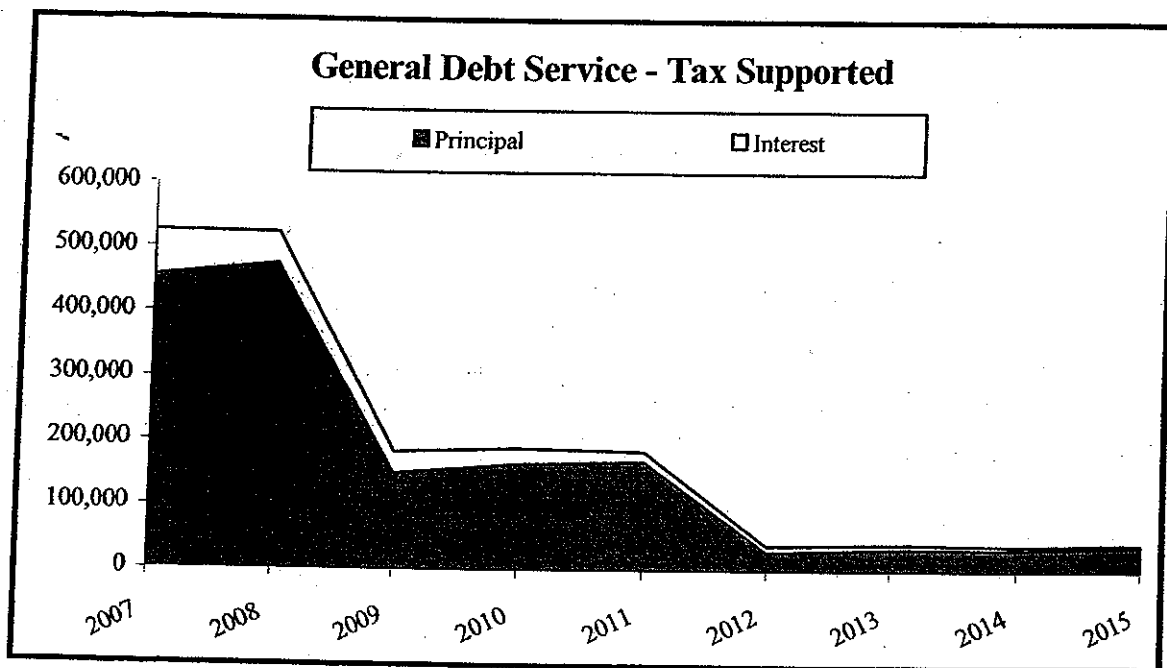
| ACCT NBR | ACCT NAME | ACTUAL 2004-2005 | Y-T-D ACTUAL 2005-2006 | BUDGET 2005-2006 | % USED | PROPOSED 2006-2007 | DIFFERENCE |
|--|----------------|---------------------|------------------------------|---------------------|--------|-----------------------|--------------|
| 01 TOTAL EXPENSES | | | | | | | |
| ===== | | | | | | | |
| 6-BANK CHARGES | | | | | | | |
| 5001-610 | BANK CHARGES | 1,000.00 | 500.00 | 1,000.00 | 50.00 | 1,000.00 | 0.00 |
| ** CATEGORY TOTAL ** | | 1,000.00 | 500.00 | 1,000.00 | 50.00 | 1,000.00 | 0.00 |
| 7-DEBT SERVICE | | | | | | | |
| 5001-750 | BOND PRINCIPAL | 420,000.00 | 430,000.00 | 430,000.00 | 100.00 | 455,000.00 | 25,000.00 |
| 5001-755 | BOND INTEREST | 110,582.02 | 50,421.76 | 91,000.00 | 55.41 | 70,100.00 | (20,900.00) |
| ** CATEGORY TOTAL ** | | 530,582.02 | 480,421.76 | 521,000.00 | 92.21 | 525,100.00 | 4,100.00 |
| ** DEPARTMENT TOTAL ** | | 531,582.02 | 480,921.76 | 522,000.00 | 0.00 | 526,100.00 | 4,100.00 |
| *** DIVISION TOTAL *** | | 531,582.02 | 480,921.76 | 522,000.00 | 92.13 | 526,100.00 | 4,100.00 |
| *** FUND TOTAL EXPENDITURES *** | | 531,582.02 | 480,921.76 | 522,000.00 | 92.13 | 526,100.00 | 4,100.00 |

*** END OF REPORT ***

Summary of Debt Service Charges to Maturity

General Obligation Bonds and Certificates of Obligation - TAX SUPPORTED

| Year Ending September 30 | Outstanding Beginning of Year | Principal | Interest | Total Requirements |
|-----------------------------|----------------------------------|-----------|----------|-----------------------|
| 2007 | 1,595,000 | 455,000 | 70,106 | 525,106 |
| 2008 | 1,140,000 | 475,000 | 48,195 | 523,195 |
| 2009 | 665,000 | 150,000 | 32,845 | 182,845 |
| 2010 | 515,000 | 165,000 | 24,183 | 189,183 |
| 2011 | 350,000 | 170,000 | 14,885 | 184,885 |
| 2012 | 180,000 | 30,000 | 9,281 | 39,281 |
| 2013 | 150,000 | 35,000 | 7,453 | 42,453 |
| 2014 | 115,000 | 35,000 | 5,484 | 40,484 |
| 2015 | 80,000 | 40,000 | 3,375 | 43,375 |
| 2016 | 40,000 | 40,000 | 1,125 | 41,125 |



**Certificates of Obligation
Series 1996- \$2,000,000
Principal Due - February 15**

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|-----------------|------------------|
| 2007 | 140,000 | 48,510 | 188,510 |
| 2008 | 145,000 | 40,885 | 185,885 |
| 2009 | 150,000 | 32,845 | 182,845 |
| 2010 | 165,000 | 24,183 | 189,183 |
| 2011 | 170,000 | 14,885 | 184,885 |
| 2012 | 30,000 | 9,281 | 39,281 |
| 2013 | 35,000 | 7,453 | 42,453 |
| 2014 | 35,000 | 5,484 | 40,484 |
| 2015 | 40,000 | 3,375 | 43,375 |
| 2016 | 40,000 | 1,125 | 41,125 |
| Total | <u>950,000</u> | <u>188,026</u> | <u>1,138,026</u> |

**Certificates of Obligation
Series 1998- \$2,700,000
Principal Due - February 15**

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|-----------------|----------------|
| 2007 | 315,000 | 21,596 | 336,596 |
| 2008 | 330,000 | 7,310 | 337,310 |
| Total | <u>645,000</u> | <u>28,906</u> | <u>673,906</u> |

Utility Debt Service

Utility Debt Service accounts for all funds required to finance the payment of interest and principal on all debt which is retired primarily from revenues or earnings of the City's Utility Fund. Such debt includes the following issues:

Utility System Revenue Bonds

Combination Tax & Revenue Certificates of Obligations, Series 2001 – On June 19, 2001, the City Council passed an ordinance authorizing the issuance of \$5,500,000 in bonds for the purpose of paying all or a portion of the City's contractual obligations incurred with respect to the acquisition, construction and equipment of certain improvements and extensions for the City's water system, to wit: a water storage facility, a booster pump station, water transmission and distribution lines and *water wells* and to pay legal, fiscal and engineering fees in connection with these projects.

Combination Tax & Revenue Certificates of Obligations, Series 2002 – On May 7, 2002, the City Council passed an ordinance authorizing the issuance of \$1,150,000 in bonds for the purpose of paying all or a portion of the City's contractual obligations for the acquisition, construction and equipment of *sewer plant improvements*, and to pay legal, fiscal and engineering fees in connection with this project.

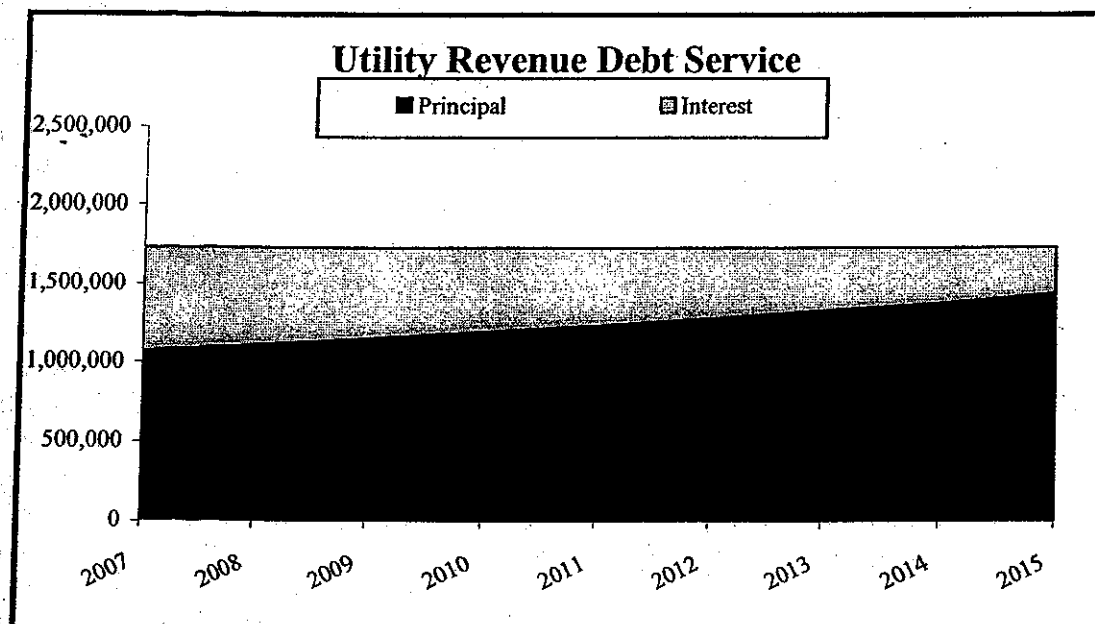
Combination Tax & Revenue Refunding Bonds, Series 2003A – On April 15, 2003, the City Council passed an ordinance authorizing the issuance of \$4,975,000 in bonds for the purpose of providing funds to refund the City of Stephenville's outstanding prior lien utility system revenue bonds originally issued to pay for *sewer plant improvements*.

Combination Tax & Revenue Refunding Bonds, Series 2003B – On April 15, 2003, the City Council passed an ordinance authorizing the issuance of \$1,600,000 in bonds for the purpose of paying all or a portion of the City's contractual obligations incurred with respect to the acquisition, construction and equipment of the water system improvements, including providing *additional water wells and water lines* and paying legal, fiscal and engineering fees in connection with these projects.

Combination Tax & Revenue Certificates of Obligations, Series 2006 – On March 23, 2004, the City Council passed an ordinance authorizing the issuance of \$7,160,000 in bonds for the purpose of paying all or a portion of the City's contractual obligations incurred with respect to the acquisition, construction and equipment of certain public improvements for the City including: (i) additional water wells, pumping facilities and water lines to connect the wells to the City's water distribution system, (ii) water line improvements, pumping facilities and storage to provide a *surface water source* for the City and (iii) paying the costs of legal, fiscal and engineering fees in connection with these projects.

Summary of Utility Debt Charges to Maturity

| Year Ending September 30 | Outstanding Beginning of Year | Principal | Interest | Total Requirements |
|-----------------------------|----------------------------------|-----------|----------|-----------------------|
| 2007 | 17,575,000 | 1,075,000 | 655,083 | 1,730,083 |
| 2008 | 16,500,000 | 1,115,000 | 616,124 | 1,731,124 |
| 2009 | 15,385,000 | 1,155,000 | 575,637 | 1,730,637 |
| 2010 | 14,230,000 | 1,200,000 | 533,618 | 1,733,618 |
| 2011 | 13,030,000 | 1,240,000 | 489,935 | 1,729,935 |
| 2012 | 11,790,000 | 1,285,000 | 445,619 | 1,730,619 |
| 2013 | 10,505,000 | 1,335,000 | 397,594 | 1,732,594 |
| 2014 | 9,170,000 | 1,380,000 | 350,149 | 1,730,149 |
| 2015 | 7,790,000 | 1,440,000 | 291,313 | 1,731,313 |
| 2016 | 6,350,000 | 1,500,000 | 229,902 | 1,729,902 |
| 2017 | 4,850,000 | 1,565,000 | 165,799 | 1,730,799 |
| 2018 | 3,285,000 | 1,615,000 | 112,230 | 1,727,230 |
| 2019 | 1,670,000 | 1,670,000 | 56,947 | 1,726,947 |



Combination Tax & Revenue Certificates of Obligation
Series 2001 - \$5,500,000
Principal Due - June 1

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|------------------|------------------|
| 2007 | 290,000 | 252,450 | 542,450 |
| 2008 | 305,000 | 239,139 | 544,139 |
| 2009 | 320,000 | 225,140 | 545,140 |
| 2010 | 335,000 | 210,452 | 545,452 |
| 2011 | 355,000 | 195,075 | 550,075 |
| 2012 | 375,000 | 178,780 | 553,780 |
| 2013 | 390,000 | 161,568 | 551,568 |
| 2014 | 995,000 | 143,667 | 1,138,667 |
| 2015 | 1,040,000 | 97,996 | 1,137,996 |
| 2016 | 1,095,000 | 50,251 | 1,145,251 |
| Total | <u>5,500,000</u> | <u>1,754,517</u> | <u>7,254,517</u> |

Combination Tax & Revenue Certificates of Obligation
Series 2002- \$1,150,000
Principal Due - June 1

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|-----------------|----------------|
| 2007 | 110,000 | 33,153 | 143,153 |
| 2008 | 115,000 | 28,257 | 143,257 |
| 2009 | 120,000 | 23,140 | 143,140 |
| 2010 | 125,000 | 17,800 | 142,800 |
| 2011 | 135,000 | 12,238 | 147,238 |
| 2012 | 140,000 | 6,230 | 146,230 |
| Total | <u>745,000</u> | <u>120,818</u> | <u>865,818</u> |

**Subordinate Lien Utility System Revenue Bonds
Series 2003A - \$4,975,000
Principal Due - June 1**

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|-----------------|------------------|
| 2007 | 360,000 | 75,625 | 435,625 |
| 2008 | 370,000 | 65,725 | 435,725 |
| 2009 | 380,000 | 55,550 | 435,550 |
| 2010 | 395,000 | 45,100 | 440,100 |
| 2011 | 405,000 | 34,238 | 439,238 |
| 2012 | 410,000 | 23,100 | 433,100 |
| 2013 | 430,000 | 11,825 | 441,825 |
| Total | <u>2,750,000</u> | <u>311,163</u> | <u>3,061,163</u> |

**Utility System Revenue and Refunding Bonds
Series 2003B - \$1,600,000
Principal Due - June 1**

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|-----------------|------------------|
| 2007 | 125,000 | 49,700 | 174,700 |
| 2008 | 125,000 | 45,325 | 170,325 |
| 2009 | 130,000 | 40,950 | 170,950 |
| 2010 | 130,000 | 36,400 | 166,400 |
| 2011 | 125,000 | 31,850 | 156,850 |
| 2012 | 35,000 | 27,475 | 62,475 |
| 2013 | 175,000 | 26,250 | 201,250 |
| 2014 | 40,000 | 20,125 | 60,125 |
| 2015 | 40,000 | 18,725 | 58,725 |
| 2016 | 35,000 | 17,325 | 52,325 |
| 2017 | 225,000 | 16,100 | 241,100 |
| 2018 | 235,000 | 8,225 | 243,225 |
| Total | <u>1,420,000</u> | <u>338,450</u> | <u>1,758,450</u> |

**Utility System Revenue and Improvement Bonds
Series 2004 - \$7,160,000**

Principal Due - June 1

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|------------------|------------------|
| 2007 | 190,000 | 244,156 | 434,156 |
| 2008 | 200,000 | 237,677 | 437,677 |
| 2009 | 205,000 | 230,857 | 435,857 |
| 2010 | 215,000 | 223,867 | 438,867 |
| 2011 | 220,000 | 216,535 | 436,535 |
| 2012 | 325,000 | 209,033 | 534,033 |
| 2013 | 340,000 | 197,951 | 537,951 |
| 2014 | 345,000 | 186,357 | 531,357 |
| 2015 | 360,000 | 174,592 | 534,592 |
| 2016 | 370,000 | 162,316 | 532,316 |
| 2017 | 1,340,000 | 149,699 | 1,489,699 |
| 2018 | 1,380,000 | 104,005 | 1,484,005 |
| 2019 | 1,670,000 | 56,947 | 1,726,947 |
| Total | <u>7,160,000</u> | <u>2,393,992</u> | <u>9,553,992</u> |

**Utility System Revenue and Improvement Bonds
Series 2006 - \$2,000,000**

Principal Due - February 15

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|-----------------|------------------|
| 2007 | 145,000 | 99,685 | 244,685 |
| 2008 | 175,000 | 66,635 | 241,635 |
| 2009 | 185,000 | 59,849 | 244,849 |
| 2010 | 190,000 | 52,780 | 242,780 |
| 2011 | 195,000 | 45,523 | 240,523 |
| 2012 | 205,000 | 37,983 | 242,983 |
| 2013 | 215,000 | 30,066 | 245,066 |
| 2014 | 220,000 | 21,866 | 241,866 |
| 2015 | 230,000 | 13,384 | 243,384 |
| 2016 | 240,000 | 4,524 | 244,524 |
| Total | <u>2,000,000</u> | <u>432,295</u> | <u>2,432,295</u> |



CAPITAL IMPROVEMENTS

Capital Improvements

A Capital Improvement Program is a schedule of public Physical Improvements to be constructed with estimated resources available to finance the projected expenditures.

Capital Improvements are any expenditure of public funds for the purchase, construction, rehabilitation, replacement or expansion of the physical assets of the community when the project is relatively large in size, expensive (the City's capital threshold is \$1,000), long-term and permanent. Some common examples include streets, tennis courts, fire stations, water and sewer lines and fire engines. Capital expenditures are financed from a variety of sources to include long-term and short-term debt, current revenues, grants from other governmental entities and donations from foundations, businesses, individuals and non-profit organizations. A detailed listing of financing methods is found on the following pages.

Functions of a Capital Improvement Program

- ❖ Estimating capital requirements, budgeting priority projects and developing revenue sources for proposed improvements.
- ❖ Scheduling all capital projects over a fixed period with the appropriate planning implementation and informing the public of projected capital improvements.
- ❖ Coordinating the activities of various departments in meeting project schedules.
- ❖ Monitoring and evaluating the progress of capital projects.

Capital Improvements Policy

The City of Stephenville prioritizes the funding of capital projects on the basis of a Capital Improvements Plan. The functions of the Capital Improvement Plan are as follows:

1. Estimating capital requirements
2. Scheduling all capital projects over a fixed period with appropriate planning and implementation.
3. Budgeting priority projects and developing revenue sources for proposed improvements.

4. Coordinating the activities of various departments in meeting project schedules.
5. Monitoring and evaluating the progress of capital projects.
6. Informing the public of projected capital improvements.

The following questions are considered when justifying a project:

1. What is the relationship of the project to the progress of the entire city?
2. Is the project part of a large program? How does it relate to the goals of the program?
3. How many citizens will be helped by it? How many citizens will be harmed or inconvenienced if the project is not considered?
4. Will it add to the value of the surrounding area? Will it increase the valuation of local property?
5. Will it increase efficiency or performance of a service? Will it reduce the on-going costs of a service or facility?
6. Will it provide a service required for economic development of the community? What improvements would be of the most value in attracting commercial and industrial firms?
7. Is the project required to complete or make fully usable a major public improvement?
8. Will rapid urban growth in the area of the proposed project increase the costs of land acquisition if the project is deferred?
9. Is the project well identified by the citizens? Does it have established voter appeal?
10. Is the project needed to protect public health or safety?

Methods of Financing Capital Improvements Projects

Certificates of Obligations. Certificates of Obligations are issued with limited revenues pledged by the water and sewer systems. Voter approval is not required.

Donations. Donations are periodically received, by the City, from individuals, businesses, foundations and non-profit organizations.

Earmarked Funds. With Earmarked Funds, monies are accumulated in advance or set aside for capital construction or purchase. The accumulation may result from surplus of earmarked operational revenues or sale of capital assets.

Enterprise Funds. Enterprise Funds are established from the delivery of specific services – where money paid to administer the services and the expenses (as a result of providing services) are accounted for separate from the general fund budget of the City.

General Fund. General Fund is the financing of improvements from revenues such as general taxation, fees and service charges.

General Obligation Bonds. With General Obligation bonds, the taxing power of the jurisdiction is pledged to pay interest and retire the debt. General Obligation Bonds can be sold to finance permanent types of improvements such as municipal buildings, streets and parks and recreation facilities. Voter approval is required.

Revenue Bonds. Revenue Bonds frequently are sold for projects that produce revenues, such as water and sewer systems. Voter approval is not required.

Special Assessments. Public works that benefit particular properties may be financed more equitably by special assessments (i.e., paid by those who directly benefit).

State and Federal Grants. State and Federal Grant-in-Aid programs are available for financing a number of programs. These may include streets, water and sewer facilities, airports, parks and playgrounds. The costs of funding these facilities may be borne completely by grant funds or a local share may be required.

Impacts of Capital Improvements on Operating Budget

Most of the capital improvements scheduled for FY 2006-07 are routine replacements and/or upgrades of facilities or equipment. There should be no major impact on operating budgets for most of the capital items scheduled. The maintenance and operating costs related to most of the capital project items scheduled should be absorbed in the corresponding division's operating budget.

FY 2006-07 Capital Improvements

The following pages identify the capital improvements that have been authorized in FY 2006-07 and includes the project or equipment, the department requesting the item, the fund in which expenditures will be recorded, the sources of funds, the cost and the reason the project is being undertaken or equipment being purchased.

CAPITAL IMPROVEMENTS & EQUIPMENT REPLACEMENT

| FUND | DEPT | DESCRIPTION | CAPITAL | NOT | CAPITAL | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|------------------------------|---------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | | INCLUDED | INCLUDED | REQUESTS | | | | |
| | | | 2006-07 | 2006-07 | 2006-07 | | | | |
| ADMINISTRATION | | | | | | | | | |
| 5105 | MUNI BLDG | CITY RENOVATIONS | | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| 5201 | FINANCE | TECHNOLOGY ENHANCEMENTS | 50,000 | | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| 5401 | HUMAN RESOUR | | | | | | | | |
| TOTAL ADMINISTRATION | | | 50,000 | 25,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| COMMUNITY SERVICES | | | | | | | | | |
| 5502 | PARK | PICKUP | 19,000 | | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 |
| 5502 | PARK | UTILITY VEHICLE | 8,000 | | 8,000 | 8,000 | | 11,000 | |
| 5502 | PARK | TORO 4000 MOWER | 40,000 | | 40,000 | | | | |
| 5502 | PARK | STEINER MOWER | 9,000 | | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 |
| 5502 | PARK | CITY PARK RESTROOMS | | 100,000 | 100,000 | | 100,000 | | |
| 5502 | PARK | PARK IMPROVEMENTS | 25,000 | 30,000 | 55,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| 5502 | PARK | REC HALL RENOVATIONS | | 50,000 | 50,000 | | | | |
| 5502 | CEMETERY | PICKUP | | | | | | 19,000 | |
| 5503 | CEMETERY | STEINER MOWER | | | | 9,000 | | | |
| 5504 | CEMETERY | PRIVACY FENCE | | | | | | | |
| 5504 | LIBRARY | COMPUTERS | | | | | | | |
| | STREETS | RECONSTRUCTION | 500,000 | | 500,000 | 750,000 | 1,000,000 | 1,250,000 | 1,500,000 |
| 5505 | STREETS | PICKUP | | | | | 19,000 | | 19,000 |
| 5505 | STREETS | HEAVY EQUIPMENT (FRONT END LOADER) | 125,000 | | 125,000 | | | | |
| 5505 | STREETS | DUMP TRUCK | | | | 36,800 | | 36,800 | |
| 5505 | STREETS | PNEUMATIC ROLLER | | | | | 25,000 | | |
| 5506 | SR CIT CTR | COMPUTERS | | | | | | | |
| TOTAL COMMUNITY SERVICE | | | 726,000 | 180,000 | 906,000 | 881,800 | 1,222,000 | 1,394,800 | 1,597,000 |
| FIRE AND EMS | | | | | | | | | |
| 5603 | FIRE | SELF CONTAINED BREATHING APPARATUS | 40,000 | | 40,000 | | | | |
| 5603 | FIRE | HYDRAULIC RESCUE TOOL | 33,878 | | 33,878 | 20,250 | | | |
| 5603 | FIRE | EXTRICATION WILDLAND FIRE SUIT REPLACEMENT | | | 5,000 | | | | |
| 5603 | FIRE | LARGE DIAMETER HOSE REPLACEMENT | 6,000 | | 6,000 | 6,000 | | | |
| 5603 | FIRE | FIREFIGHTING NOZZEL REPLACEMENT | 8,100 | | 8,100 | | | | |
| 5603 | FIRE | THERMAL IMAGING CAMERA | | | | 12,000 | | | |
| 5603 | FIRE | BUNKER GEAR REPLACEMENT | | | | | | 11,000 | 11,000 |
| 5604 | EMS | AMBULANCE | | | | 105,000 | | 105,000 | |
| 5604 | EMS | HEART MONITOR/DEFIBRILLATOR | | 16,000 | 16,000 | 16,000 | | | |
| 5605 | VOL | VOLUNTEER ALERT PAGERS (RADIOS) | | 3,500 | 3,500 | | | | |
| TOTAL FIRE AND EMS | | | 92,978 | 19,500 | 112,478 | 159,250 | 0 | 116,000 | 11,000 |
| POLICE | | | | | | | | | |
| 5702 | PATROL | VEHICLES (2) | 52,000 | 26,000 | 78,000 | 78,000 | 80,000 | 80,000 | 80,000 |
| 5702 | PATROL | RIFLE REPLACEMENT | | | | | | 6,000 | |
| 5705 | CID | VEHICLE (2) | 40,000 | | 40,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| 5707 | ACO | ANIMAL CONTROL VEHICLE | | | | 25,000 | | | |
| 5901 | PUBLIC SAFETY | TECHNOLOGY UPGRADE | 192,000 | | 192,000 | | | | |
| 5905 | PUBLIC SAFETY | PORTABLE BUILDINGS (2) | | 50,000 | 50,000 | | | | |
| TOTAL POLICE DEPARTMENT | | | 284,000 | 76,000 | 360,000 | 123,000 | 100,000 | 106,000 | 100,000 |
| COMMUNITY DEVELOPMENT | | | | | | | | | |
| 5802 | INSPECTIONS | VEHICLE | | | | 25,000 | | | |
| 5803 | CODE ENFORCE | VEHICLE | | | | | | 25,000 | |
| TOTAL COMMUNITY DEVELOPMENT | | | 0 | 0 | 0 | 25,000 | 0 | 25,000 | 0 |
| TOTAL GENERAL FUND | | | 1,152,978 | 300,500 | 1,453,478 | 1,264,050 | 1,397,000 | 1,716,800 | 1,783,000 |
| WATER/WASTEWATER | | | | | | | | | |
| 5001 | WATER | MOWING TRACTOR | | | | 25,000 | | | 25,000 |
| 5001 | MAINTENANCE | LINE REPLACEMENTS | 300,000 | 200,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| 5002 | WATER DISTR | PICKUP | 19,000 | | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 |
| 5002 | WATER DISTR | DUMP TRUCK | | | | | 42,000 | | |
| 5003 | WATER DISTR | BACKHOE | | | | | 100,000 | | |
| 5003 | CUST SERVICE | GPS SYSTEM | | | | 8,000 | | | |
| 5101 | WW COLL | VAC-CON TRUCK | | | | | | 100,000 | |
| 5102 | WWTP | GRIT PUMP | 6,000 | | 6,000 | | | | |
| 5103 | WWTP | TRACTOR | 35,000 | | 35,000 | | | | |
| 5103 | WWTP | SKAT TRAK | | | | 30,000 | | | |
| 5103 | WWTP | ROOF REPAIRS | | | | 10,000 | | | |
| 5102 | WWTP | PAD FOR ROLL OFF CONTAINERS | 10,500 | | 10,500 | | | | |
| TOTAL WATER/WASTEWATER FUND | | | 370,500 | 200,000 | 570,500 | 592,000 | 661,000 | 619,000 | 544,000 |
| LANDFILL | | | | | | | | | |
| 5001 | LANDFILL | COMPACTOR | | 320,850 | 320,850 | | | | |
| 5001 | LANDFILL | SCRAPER | | 413,850 | 413,850 | | | | |
| TOTAL LANDFILL | | | 0 | 734,700 | 734,700 | 0 | 0 | 0 | 0 |
| TOTAL ALL FUNDS | | | 1,523,478 | 1,235,200 | 2,758,678 | 1,856,050 | 2,058,000 | 2,335,800 | 2,327,000 |

10 -CAPITAL PROJECTS FUND
FINANCIAL SUMMARY

BUDGET REPORT
AS OF: AUGUST 31ST, 2006

| ACCT NUM | ACCT NAME | ACTUAL 2004-2005 | Y-T-D ACTUAL 2005-2006 | BUDGET 2005-2006 | % USED | PROPOSED 2006-2007 | DIFFERENCE |
|------------------------------------|----------------------|---------------------|------------------------------|---------------------|--------|-----------------------|-----------------|
| <u>REVENUE SUMMARY</u> | | | | | | | |
| 4 | SERVICE CHARGES | 402,789.00 | 84,919.55 | 305,000.00 | 27.84 | 0.00 | (305,000.00) |
| 5 | OTHER REVENUE | 87,018.84 | 242,176.08 | 3,877,641.00 | 6.25 | 3,110,000.00 | (767,641.00) |
| *** TOTAL REVENUE *** | | 489,807.84 | 327,095.63 | 4,182,641.00 | 7.82 | 3,110,000.00 | (1,072,641.00) |
| <u>EXPENDITURE SUMMARY</u> | | | | | | | |
| <u>0 LONG TERM WATER</u> | | | | | | | |
| LONG TERM WATER | | 0.00 | 127,584.50 | 5,737,000.00 | -2.22 | 5,100,000.00 | (637,000.00) |
| ** DIVISION TOTAL ** | | 0.00 | 127,584.50 | 5,737,000.00 | 2.22 | 5,100,000.00 | (637,000.00) |
| <u>5 COMMUNITY SERVICES</u> | | | | | | | |
| 02 | PARK GRANT | 71,928.86 | 70,500.00 | 364,000.00 | 19.37 | 364,000.00 | 0.00 |
| 05 | WESTSIDE DEVELOPMENT | 90,000.00 | 94,500.00 | 94,500.00 | 100.00 | 0.00 | (94,500.00) |
| ** DIVISION TOTAL ** | | 161,928.86 | 165,000.00 | 458,500.00 | 35.99 | 364,000.00 | (94,500.00) |
| <u>8 COMMUNITY DEVELOPMENT</u> | | | | | | | |
| COMMUNITY DEVELOPMENT | | 0.00 | 0.00 | 4,640,000.00 | 0.00 | 5,167,456.00 | 527,456.00 |
| ** DIVISION TOTAL ** | | 0.00 | 0.00 | 4,640,000.00 | 0.00 | 5,167,456.00 | 527,456.00 |
| *** FUND TOTAL EXPENDITURES *** | | 161,928.86 | 292,584.50 | 10,835,500.00 | 2.70 | 10,631,456.00 | (204,044.00) |
| REVENUES OVER/(UNDER) EXPENDITURES | | 327,878.98 | 34,511.13 | (6,652,859.00) | 0.52- | (7,521,456.00) | (868,597.00) |

10 -CAPITAL PROJECTS FUND
REVENUESBUDGET REPORT
AS OF: AUGUST 31ST, 2006

| ACCT NO# | ACCT NAME | ACTUAL 2004-2005 | Y-T-D ACTUAL 2005-2006 | BUDGET 2005-2006 | % USED | PROPOSED 2006-2007 | DIFFERENCE |
|------------------------------|------------------------------|---------------------|------------------------------|---------------------|--------|-----------------------|-----------------|
| <u>4 SERVICE CHARGES</u> | | | | | | | |
| 4459 | PRO RATA/MISCELLANEOUS | 402,789.00 | 84,919.55 | 305,000.00 | 27.84 | 0.00 | (305,000.00) |
| ** REVENUE CATEGORY TOTAL ** | | 402,789.00 | 84,919.55 | 305,000.00 | 27.84 | 0.00 | (305,000.00) |
| <u>5 OTHER REVENUE</u> | | | | | | | |
| 4501 | INTEREST ON INVESTMENTS | 29,220.65 | 167,287.50 | 100,000.00 | 167.29 | 100,000.00 | 0.00 |
| 4501.000A | INTEREST ON CHECKING ACCOUNT | 10,835.97 | 8,104.52 | 10,000.00 | 81.05 | 10,000.00 | 0.00 |
| 4520 | GRANTS | 46,962.22 | 66,784.06 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4560 | BOND PROCEEDS | 0.00 | 0.00 | 3,040,000.00 | 0.00 | 3,000,000.00 | (40,000.00) |
| 4590 | TRANSFERS FROM OTHER FUNDS | 0.00 | 0.00 | 727,641.00 | 0.00 | 0.00 | (727,641.00) |
| ** REVENUE CATEGORY TOTAL ** | | 87,018.84 | 242,176.08 | 3,877,641.00 | 6.25 | 3,110,000.00 | (767,641.00) |
| *** FUND TOTAL REVENUES *** | | 489,807.84 | 327,095.63 | 4,182,641.00 | 7.82 | 3,110,000.00 | (1,072,641.00) |

10 - CAPITAL PROJECTS FUND
 DIVISION - 0 LONG TERM WATER
 DEPARTMENT EXPENDITURES

BUDGET REPORT
 AS OF: AUGUST 31ST, 2006

| ACCT NO# | ACCT NAME | ACTUAL 2004-2005 | Y-T-D ACTUAL 2005-2006 | BUDGET 2005-2006 | % USED | PROPOSED 2006-2007 | DIFFERENCE |
|-------------------------|-----------------------|---------------------|------------------------------|---------------------|--------|-----------------------|---------------|
| <u>LONG TERM WATER</u> | | | | | | | |
| <u>2-CONTRACTUAL</u> | | | | | | | |
| 5002-253 | OUTSIDE PROFESSIONALS | 0.00 | 127,584.50 | 380,000.00 | 33.57 | 130,000.00 | (250,000.00) |
| ** CATEGORY TOTAL ** | | 0.00 | 127,584.50 | 380,000.00 | 33.57 | 130,000.00 | (250,000.00) |
| <u>5-CAPITAL OUTLAY</u> | | | | | | | |
| 5002-521 | WATER LINES | 0.00 | 0.00 | 3,450,000.00 | 0.00 | 3,450,000.00 | 0.00 |
| 5002-522 | PUMP STATIONS | 0.00 | 0.00 | 1,420,000.00 | 0.00 | 1,420,000.00 | 0.00 |
| 5002-523 | WELLS | 0.00 | 0.00 | 0.00 | 0.00 | 100,000.00 | 100,000.00 |
| 5002-524 | STORAGE TANKS | 0.00 | 0.00 | 487,000.00 | 0.00 | 0.00 | (487,000.00) |
| ** CATEGORY TOTAL ** | | 0.00 | 0.00 | 5,357,000.00 | 0.00 | 4,970,000.00 | (387,000.00) |
| ** DEPARTMENT TOTAL ** | | 0.00 | 127,584.50 | 5,737,000.00 | 0.00 | 5,100,000.00 | (637,000.00) |
| *** DIVISION TOTAL *** | | 0.00 | 127,584.50 | 5,737,000.00 | 2.22 | 5,100,000.00 | (637,000.00) |

BUDGET REPORT
AS OF: AUGUST 31ST, 200610 - CAPITAL PROJECTS FUND
DIVISION - 5 COMMUNITY SERVICES
DEPARTMENT EXPENDITURES

| ACCT NO# | ACCT NAME | ACTUAL 2004-2005 | Y-T-D ACTUAL 2005-2006 | BUDGET 2005-2006 | % USED | PROPOSED 2006-2007 | DIFFERENCE |
|------------------------|-------------------|---------------------|------------------------------|---------------------|--------|-----------------------|------------|
| <hr/> | | | | | | | |
| 02 PARK GRANT | | | | | | | |
| <hr/> | | | | | | | |
| 5-CAPITAL OUTLAY | | | | | | | |
| <hr/> | | | | | | | |
| 5502-527 | PARK IMPROVEMENTS | 61,352.78 | 70,500.00 | 364,000.00 | 19.37 | 364,000.00 | 0.00 |
| 5502-531 | LAND | 10,576.08 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| ** CATEGORY TOTAL ** | | 71,928.86 | 70,500.00 | 364,000.00 | 19.37 | 364,000.00 | 0.00 |
| | | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| ** DEPARTMENT TOTAL ** | | 71,928.86 | 70,500.00 | 364,000.00 | 0.00 | 364,000.00 | 0.00 |

10 - CAPITAL PROJECTS FUND
 DIVISION - 5 COMMUNITY SERVICES
 DEPARTMENT EXPENDITURES

BUDGET REPORT
 as of: AUGUST 31ST, 2006

| ACCT NO# | ACCT NAME | ACTUAL 2004-2005 | Y-T-D ACTUAL 2005-2006 | BUDGET 2005-2006 | % USED | PROPOSED 2006-2007 | DIFFERENCE |
|--------------------------------|-------------------------|---------------------|------------------------------|---------------------|--------|-----------------------|--------------|
| <u>05 WESTSIDE DEVELOPMENT</u> | | | | | | | |
| <u>8-NOT USED</u> | | | | | | | |
| 5505-800 | OPERATING TRANSFERS OUT | 90,000.00 | 94,500.00 | 94,500.00 | 100.00 | 55,000.00 | (39,500.00) |
| ** CATEGORY TOTAL ** | | 90,000.00 | 94,500.00 | 94,500.00 | 100.00 | 55,000.00 | (39,500.00) |
| ** DEPARTMENT TOTAL ** | | 90,000.00 | 94,500.00 | 94,500.00 | 0.00 | 55,000.00 | (39,500.00) |
| *** DIVISION TOTAL *** | | 161,928.86 | 165,000.00 | 458,500.00 | 35.99 | 419,000.00 | (39,500.00) |

BUDGET REPORT
AS OF: AUGUST 31ST, 2006

10 -CAPITAL PROJECTS FUND
DIVISION - 8 COMMUNITY DEVELOPMENT
DEPARTMENT EXPENDITURES

| ACCT NO# | ACCT NAME | ACTUAL 2004-2005 | Y-T-D ACTUAL 2005-2006 | BUDGET 2005-2006 | % USED | PROPOSED 2006-2007 | DIFFERENCE |
|---------------------------------|---------------------------|---------------------|------------------------------|---------------------|--------|-----------------------|---------------|
| <u>COMMUNITY DEVELOPMENT</u> | | | | | | | |
| <u>5-CAPITAL OUTLAY</u> | | | | | | | |
| 5801-521 | DRAINAGE IMPROVEMENTS | 0.00 | 0.00 | 3,040,000.00 | 0.00 | 3,040,000.00 | 0.00 |
| 5801-522 | WATER/SEWER ANNEXED AREAS | 0.00 | 0.00 | 1,600,000.00 | 0.00 | 2,127,456.00 | 527,456.00 |
| *** CATEGORY TOTAL *** | | 0.00 | 0.00 | 4,640,000.00 | 0.00 | 5,167,456.00 | 527,456.00 |
| *** DEPARTMENT TOTAL *** | | 0.00 | 0.00 | 4,640,000.00 | 0.00 | 5,167,456.00 | 527,456.00 |
| *** DIVISION TOTAL *** | | 0.00 | 0.00 | 4,640,000.00 | 0.00 | 5,167,456.00 | 527,456.00 |
| *** FUND TOTAL EXPENDITURES *** | | 161,928.86 | 292,584.50 | 10,835,500.00 | 2.70 | 10,631,456.00 | (204,044.00) |

*** END OF REPORT ***

*** END OF REPORT ***

*** END OF REPORT ***

*** END OF REPORT ***



Stephenville

**NEW
PROGRAMS**

NEW PROGRAMS - ENHANCED SERVICES

Division staff prepare budget requests based upon Council priorities, citizen requests, the strategic plan and service demands. Base budgets are prepared and carefully reviewed against priorities. Enhanced services are new programs and personnel changes deemed necessary by departments in order to provide required services more timely and efficiently. The following is a cumulative list of those requests.

| FUND | DEPT | DESCRIPTION | REQUEST AMOUNT |
|------------------------------|------------------|---|----------------|
| ADMINISTRATION | | | |
| 5401 | HUMAN RES | VACATION-4 WKS AFTER 15 YEARS | 0 |
| 5401 | HUMAN RES | PAY SEPERATION RANKS & STEPS | ? |
| 5401 | HUMAN RES | HUMAN RESOURCES CLERK | 39,100 |
| 5401 | HUMAN RES | INCREASE RETIREMENT CONTRIBUTION (1%) | 100,000 |
| 5401 | HUMAN RES | RETIREE HEALTH INSURANCE | ? |
| 5401 | HUMAN RES | VEHICLE OPERATOR STANDARDS PROGRAM | 5,500 |
| TOTAL ADMINISTRATION | | | 309,600 |
| COMMUNITY SERVICES | | | |
| 5502 | PARK | LIGHT CITY WALKING TRAIL | ? |
| 5502 | PARK | RIVER IMPROVEMENTS | ? |
| 5502 | COMM SERV | FACILITIES STUDY | 100,000 |
| 5502 | PARK | 45' GENIE LIFT | 38,000 |
| 5503 | CEMETERY | CEMETERY EXPANSION (3 BLOCKS) | 11,500 |
| 5505 | STREETS | ZIPPER | 95,000 |
| 5505 | STREETS | SIDEWALKS* | ? |
| 5505 | STREETS | RECONSTRUCT RIVER N BLVD* | 250,000 |
| 5506 | SR CIT CTR | UPGRADE P/T TO FULL-TIME POSITION | |
| 5506 | SR CIT CTR | MEALS ON WHEELS FUNDING ASSISTANCE* | 2,500 |
| 5506 | SR CIT CTR | INCREASE TRANSIT SYSTEM FUNDING* | ANY |
| TOTAL COMMUNITY SERVICE | | | 497,000 |
| FIRE AND EMS | | | |
| 5601 | FIRE | ASSISTANT FIRE CHIEF | 55,032 |
| 5601 | FIRE | ADDITIONAL FIRE FIGHTER/PARAMEDICS (6) | 297,000 |
| 5601 | FIRE | TECHNOLOGY FOR FIRE & EMS REPORTS | 71,215 |
| 5602 | FIRE INVESTIG | INSPECTOR/INVESTIGATOR | 55,000 |
| 5603 | FIRE SUPPRESSION | ISO AUDIT | 18,500 |
| 5603 | EMERG MGMT | INCIDENT COMMAND UNIT | 60,000 |
| 5104 | EMERG MGMT | REVERSE 911 | 62,650 |
| 5104 | EMERG MGMT | STORM SIRENS (2) | 50,000 |
| TOTAL FIRE AND EMS | | | 669,397 |
| POLICE | | | |
| 5701 | ADMINISTRATION | ADMINISTRATIVE VEHICLE | 17,000 |
| 5702 | PATROL | POLICE RECRUITS (2) AND TRAINING | 45,500 |
| 5703 | PATROL | ADDITIONAL POLICE OFFICERS (3) | 150,000 |
| 5702 | PATROL | ADDITIONAL POLICE OFFICERS (3) | 150,000 |
| 5703 | DISPATCH | PART-TIME DISPATCHER | 14,560 |
| 5704 | RECORDS | PART-TIME RECORDS CLERK | 8,320 |
| 5704 | RECORDS | ADMINISTRATIVE SERVICES LIEUTENANT | 43,560 |
| 5705 | CID | ADDITIONAL NARCOTICS DETECTIVE | 54,000 |
| TOTAL POLICE DEPARTMENT | | | 97,560 |
| COMMUNITY DEVELOPMENT | | | |
| 5801 | PLANNING | PLANNER POSITION | 51,450 |
| 5801 | PLANNING | ENHANCED PLANNING SOFTWARE (GPS) AND MAPS | 8,000 |
| 5801 | PLANNING | UPDATE THE CITY'S AERIALS | 4,475 |
| 5802 | INSPECTION | ADDITIONAL VEHICLE | 25,000 |
| 5803 | CODE ENFORCEM | CODE ENFORCEMENT OFFICER* | 45,000 |
| TOTAL COMMUNITY DEVELOPMENT | | | 133,925 |
| TOTAL GENERAL FUND | | | 1,707,482 |

| FUND | DEPT | DESCRIPTION | REQUEST AMOUNT |
|-------------------------|-------------|---|----------------|
| WATER/WASTEWATER | | | |
| 5001 | MAINTENANCE | ENHANCED PLANNING SOFTWARE (GPS) AND MAPS | 8,000 |
| 5001 | SEWER | E SIDE SEWER PLAN | 200,000 |
| 5001 | SEWER | SEWER SERVICE TO 1303 S LOOP* | 33,000 |
| 5001 | SEWER | SEWER TO COLLEGE FARM RD* | 500,000 |
| 5001 | MAINTENANCE | PIPE RACK | 5,501 |
| 5001 | MAINTENANCE | POLE BARN | 6,000 |
| TOTAL WATER/WASTEWATER | | | 752,501 |

| | | | |
|-----------------|----------|---------|---------|
| LANDFILL | | | |
| 5001 | LANDFILL | CELL #3 | 350,000 |
| TOTAL LANDFILL | | | 350,000 |

| | | | |
|-------------------------|----------------|--|------------|
| CAPITAL PROJECTS | | | |
| | ANNEXATION | SERVICES | |
| | ANNEXATION | NEW FIRE STATION 3 | 600,000 |
| | ANNEXATION | POLICE STATION | |
| | PARK | REC/COMMUNITY CENTER | |
| | PARK | SWIMMING POOL | |
| | PARK | RIVER IMPROVEMENTS | |
| | LIBRARY | NEW LIBRARY | |
| | STREETS | RECONSTRUCTION | 10,000,000 |
| | STREETS | RIVER N BLVD IRRIGATION/LANDSCAPING* | 25,000 |
| | STREETS | SIDEWALKS-FREY ST FROM WOLFE RD TO CLINTON | 150,000 |
| | WATER | NEW WELLS (3) | 1,500,000 |
| | SEWER | EAST SIDE SEWER EXTENSION | 1,800,000 |
| | STORM | REMAINING STORM DRAINAGE | 10,000,000 |
| | ANIMAL SHELTER | RELOCATE SHELTER* | 500,000 |
| | AIRPORT | EXTEND RUNWAY | 2,500,000 |
| TOTAL CAPITAL PROJECTS | | | 27,075,000 |

| | | | |
|-----------------|--|--|------------|
| TOTAL ALL FUNDS | | | 29,884,983 |
|-----------------|--|--|------------|

* Citizen budget requests



PERSONNEL

APPROVED CITY EMPLOYEE POSITIONS

| | <u>FY2004-05</u> | | <u>FY2005-06</u> | | <u>FY2006-07</u> | | <u>Total</u> |
|-------------------------------|------------------|------------|------------------|------------|------------------|------------|---------------|
| | <u>FT</u> | <u>PT</u> | <u>FT</u> | <u>PT</u> | <u>FT</u> | <u>PT</u> | <u>FTEs</u> |
| GENERAL FUND | | | | | | | |
| City Administrator | 1.0 | | 1.0 | | 1.0 | | 1.0 |
| City Secretary | 1.0 | | 1.0 | | 1.0 | | 1.0 |
| Municipal Building | 1.0 | | 1.0 | | 1.0 | | 1.0 |
| Municipal Service Center | 1.0 | | 1.0 | | 1.0 | | 1.0 |
| Accounting/Finance | 3.0 | | 3.0 | 0.5 | 3.0 | 0.5 | 3.5 |
| Purchasing | 1.0 | | 1.0 | | 1.0 | | 1.0 |
| Human Resources | 1.0 | | 1.0 | | 1.0 | | 1.0 |
| Parks & Recreation Admin | 5.0 | | 5.0 | | 5.0 | | 5.0 |
| Park Maintenance | 5.0 | | 5.0 | | 5.0 | | 5.0 |
| Cemeteries | 2.0 | | 2.0 | | 2.0 | | 3.0 |
| Library | 3.0 | 1.0 | 3.0 | 0.5 | 3.0 | 0.5 | 3.5 |
| Streets | 7.0 | 1.0 | 7.0 | 0.5 | 7.0 | 0.5 | 7.5 |
| Senior Citizens | 1.0 | 1.0 | 1.0 | 0.5 | 1.0 | 0.5 | 1.5 |
| Fire Administration | 1.0 | | 2.0 | | 2.0 | | 2.0 |
| Fire Prevention/Investigation | 1.0 | | 1.0 | | 2.0 | | 2.0 |
| Fire Suppression | 12.0 | | 12.0 | | 12.0 | | 12.0 |
| Emergency Medical Services | 12.0 | | 12.0 | | 12.0 | | 12.0 |
| Police Administration | 1.0 | | 1.0 | | 1.0 | | 1.0 |
| Police Patrol | 23.0 | | 23.0 | | 26.0 | | 26.0 |
| Public Safety Communications | 8.0 | | 8.0 | | 8.0 | | 8.0 |
| Police Records | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 3.0 |
| Criminal Investigations | 5.0 | | 5.0 | | 5.0 | | 5.0 |
| Police Community Resources | 1.0 | | 1.0 | | 1.0 | | 1.0 |
| Animal Control | 2.0 | | 2.0 | | 2.0 | | 2.0 |
| Public Safety Clerical | 1.0 | | 1.0 | | 1.0 | | 1.0 |
| Planning/Development Admin | 2.0 | | 2.0 | | 2.0 | | 2.0 |
| Inspections | 1.0 | | 2.0 | | 2.0 | | 2.0 |
| Code Enforcement | 1.0 | | 1.0 | | 1.0 | | 1.0 |
| TOTAL GENERAL FUND | 105.0 | 5.0 | 107.0 | 4.0 | 111.0 | 4.0 | 115.00 |
| UTILITY FUND | | | | | | | |
| Utility Administration | 1.0 | | 1.0 | | 1.0 | | 1.0 |
| Water Production | 2.0 | | 3.0 | | 3.0 | | 3.0 |
| Water Distribution | 6.0 | | 6.0 | | 6.0 | | 6.0 |
| Customer Service | 3.0 | | 3.0 | | 3.0 | | 3.0 |
| Wastewater Collection | 5.0 | | 5.0 | | 5.0 | | 5.0 |
| Wastewater Treatment | 0.0 | | 0.0 | | 0.0 | | 0.0 |
| Billing & Collections | 2.0 | | 2.0 | | 2.0 | | 2.0 |
| TOTAL UTILITY FUND | 19.0 | 0.0 | 20.0 | 0.0 | 20.0 | 0.0 | 20.0 |
| SANITARY LANDFILL FUND | | | | | | | |
| Landfill | 1.0 | 2.0 | 1.0 | 2.0 | 1.0 | 2.0 | 2.0 |
| TOTAL LANDFILL FUND | 1.0 | 2.0 | 1.0 | 2.0 | 1.0 | 2.0 | 2.0 |
| TOTAL EMPLOYEES | 125.0 | 7.0 | 128.0 | 6.0 | 132.0 | 6.0 | 137.0 |

PUBLIC SAFETY PAY PLAN

| POLICE DEPARTMENT | | | | | |
|--------------------------|--|---------|-----------|----------|----------|
| | | | 2005-2006 | | |
| POSITION | | | Starting | A | B |
| Admin Svcs Assistant | Non-Exempt 8-5 | Annual | | \$24,780 | \$26,019 |
| | | Monthly | | \$2,065 | \$2,168 |
| | | Hourly | | \$11.91 | \$12.51 |
| Animal Control Officer | Non-Exempt 12/10 Shift | Annual | | \$25,764 | \$27,052 |
| | | Monthly | | \$2,147 | \$2,254 |
| | | Hourly | | \$12.39 | \$13.01 |
| Public Safety Secretary | Non-Exempt 8-5 | Annual | | \$26,568 | \$27,896 |
| | | Monthly | | \$2,214 | \$2,325 |
| | | Hourly | | \$12.77 | \$13.41 |
| Dispatcher | Non-Exempt 12 Hour Shift | Annual | | \$27,984 | \$28,764 |
| | | Monthly | | \$2,332 | \$2,397 |
| | | Hourly | | \$13.45 | \$13.83 |
| Police Officer | Non-Exempt 80/14 Day Cycle 12 Hour Shift | Annual | \$32,784 | \$34,512 | \$36,238 |
| | | Monthly | \$2,732 | \$2,876 | \$3,020 |
| | | Hourly | \$15.76 | \$16.59 | \$17.42 |
| Patrol Sergeant | 12 Hour Shift | Annual | | \$38,772 | \$40,711 |
| | | Monthly | | \$3,231 | \$3,393 |
| | | Hourly | | \$18.64 | \$19.57 |
| Police Lieutenant | Non-Exempt 80/14 Day Cycle 12 Hour Shift | Annual | | \$43,560 | \$45,738 |
| | | Monthly | | \$3,630 | \$3,812 |
| | | Hourly | | \$20.94 | \$21.99 |
| Police Captain | Non-Exempt 8-5 | Annual | | \$48,948 | \$49,800 |
| | | Monthly | | \$4,079 | \$4,150 |
| | | Hourly | | \$23.53 | \$23.94 |
| Police Chief | Exempt | Annual | | | \$65,000 |
| | | Monthly | | | \$5,417 |
| | | Hourly | | | \$31.25 |

| FIRE DEPARTMENT | | | | | |
|------------------------|------------------------------------|---------|-----------|----------|----------|
| | | | 2005-2006 | | |
| POSITION | | | Starting | A | B |
| Firefighter/EMT | Non-Exempt Shift 24/48 27 day w/OT | Annual | \$32,784 | \$34,512 | \$36,238 |
| | | Monthly | \$2,732 | \$2,876 | \$3,020 |
| | | Hourly | \$11.89 | \$12.51 | \$13.14 |
| Fire Sergeant | Non-Exempt Shift 24/48 27 day w/OT | Annual | | \$38,772 | \$40,711 |
| | | Monthly | | \$3,231 | \$3,393 |
| | | Hourly | | \$14.06 | \$14.76 |
| Fire Lieutenant | Non-Exempt Shift 24/48 27 day w/OT | Annual | | \$43,560 | \$45,738 |
| | | Monthly | | \$3,630 | \$3,812 |
| | | Hourly | | \$15.80 | \$16.59 |
| Fire Training Officer | Non-Exempt 8-5 | Annual | | \$43,560 | \$45,738 |
| | | Monthly | | \$3,630 | \$3,812 |
| | | Hourly | | \$20.94 | \$21.99 |
| Fire Captain | Non-Exempt Shift 24/48 27 day w/OT | Annual | | \$48,948 | \$49,800 |
| | | Monthly | | \$4,079 | \$4,150 |
| | | Hourly | | \$17.75 | \$18.06 |
| Fire Marshal | Non-Exempt 8-5 | Annual | | \$49,920 | \$52,416 |
| | | Monthly | | \$4,160 | \$4,368 |
| | | Hourly | | \$24.00 | \$25.20 |
| Assistant Chief | Exempt | Annual | | | \$55,032 |
| | | Monthly | | | \$4,586 |
| | | Hourly | | | \$26.46 |
| Fire Chief | Exempt | Annual | | | \$65,000 |
| | | Monthly | | | \$5,417 |
| | | Hourly | | | \$31.25 |

GENERAL PAY PLAN

| COMMUNITY SERVICES DEPARTMENT | | | | |
|---|---------------------------------|---------|-----------|----------|
| | | | 2005-2006 | |
| POSITION | | | A | B |
| Clerk I | Non-Exempt 8-5 | Annual | \$17,916 | \$18,812 |
| | | Monthly | \$1,493 | \$1,568 |
| | | Hourly | \$8.61 | \$9.04 |
| Clerk II | Non-Exempt 8-5 | Annual | \$20,592 | \$21,622 |
| | | Monthly | \$1,716 | \$1,802 |
| | | Hourly | \$9.90 | \$10.40 |
| Clerk III | Non-Exempt 8-5 | Annual | \$23,664 | \$24,847 |
| | | Monthly | \$1,972 | \$2,071 |
| | | Hourly | \$11.38 | \$11.95 |
| Laborer II | Non-Exempt 8-5 12 Hour Shift | Annual | \$24,780 | \$26,019 |
| | | Monthly | \$2,065 | \$2,168 |
| | | Hourly | \$11.91 | \$12.51 |
| Light Equip Operator | Non-Exempt 8-5 | Annual | \$25,968 | \$27,266 |
| | | Monthly | \$2,164 | \$2,272 |
| | | Hourly | \$12.48 | \$13.11 |
| Recreation Coordinator Sr Citizens Coordinator | Non-Exempt 8-5 | Annual | \$27,192 | \$28,552 |
| | | Monthly | \$2,266 | \$2,379 |
| | | Hourly | \$13.07 | \$13.73 |
| Recreation Supervisor | Non-Exempt 8-5 | Annual | \$28,488 | \$29,912 |
| | | Monthly | \$2,374 | \$2,493 |
| | | Hourly | \$13.70 | \$14.38 |
| Crew Leader Property Supervisor | Non-Exempt 8-5 | Annual | \$32,748 | \$34,385 |
| | | Monthly | \$2,729 | \$2,865 |
| | | Hourly | \$15.74 | \$16.53 |
| Librarian | Exempt | Annual | \$39,420 | \$41,391 |
| | | Monthly | \$3,285 | \$3,449 |
| | | Hourly | \$18.95 | \$19.90 |
| Parks Superintendent Recreation Superintendent | Exempt | Annual | \$41,292 | \$43,357 |
| | | Monthly | \$3,441 | \$3,613 |
| | | Hourly | \$19.85 | \$20.84 |
| Director | Exempt | Annual | | \$63,000 |
| | | Monthly | | \$5,250 |
| | | Hourly | | \$30.29 |

| STREET DEPARTMENT | | | | |
|-----------------------|----------------|---------|-----------|----------|
| | | | 2005-2006 | |
| POSITION | | | A | B |
| Laborer II | Non-Exempt 8-5 | Annual | \$24,780 | \$26,019 |
| | | Monthly | \$2,065 | \$2,168 |
| | | Hourly | \$11.91 | \$12.51 |
| Light Equip Operator | Non-Exempt 8-5 | Annual | \$25,968 | \$27,266 |
| | | Monthly | \$2,164 | \$2,272 |
| | | Hourly | \$12.48 | \$13.11 |
| Heavy Equip Operator | Non-Exempt 8-5 | Annual | \$29,844 | \$31,336 |
| | | Monthly | \$2,487 | \$2,611 |
| | | Hourly | \$14.35 | \$15.07 |
| Crew Leader | Non-Exempt 8-5 | Annual | \$32,748 | \$34,385 |
| | | Monthly | \$2,729 | \$2,865 |
| | | Hourly | \$15.74 | \$16.53 |
| Street Superintendent | Exempt | Annual | \$41,292 | \$43,357 |
| | | Monthly | \$3,441 | \$3,613 |
| | | Hourly | \$19.85 | \$20.84 |

GENERAL PAY PLAN

| PUBLIC WORKS DEPARTMENT | | | | |
|---|----------------|---------|----------|----------|
| 2005-2006 | | | | |
| POSITION | | | A | B |
| Laborer I | Non-Exempt 8-5 | Annual | \$17,916 | \$18,812 |
| | | Monthly | \$1,493 | \$1,568 |
| | | Hourly | \$8.61 | \$9.04 |
| Laborer II Meter Reader | Non-Exempt 8-5 | Annual | \$24,780 | \$26,019 |
| | | Monthly | \$2,065 | \$2,168 |
| | | Hourly | \$11.91 | \$12.51 |
| Light Equip Operator | Non-Exempt 8-5 | Annual | \$25,968 | \$27,266 |
| | | Monthly | \$2,164 | \$2,272 |
| | | Hourly | \$12.48 | \$13.11 |
| Heavy Equip Operator Water Plant Operator | Non-Exempt 8-5 | Annual | \$29,844 | \$31,336 |
| | | Monthly | \$2,487 | \$2,611 |
| | | Hourly | \$14.35 | \$15.07 |
| Crew Leader | Non-Exempt 8-5 | Annual | \$32,748 | \$34,385 |
| | | Monthly | \$2,729 | \$2,865 |
| | | Hourly | \$15.74 | \$16.53 |
| Water Plant Supervisor Customer Svc Supervisor | Non-Exempt 8-5 | Annual | \$34,296 | \$36,011 |
| | | Monthly | \$2,858 | \$3,001 |
| | | Hourly | \$16.49 | \$17.31 |
| Wtr/WWtr Superintendent | Exempt | Annual | | \$45,408 |
| | | Monthly | | \$3,784 |
| | | Hourly | | \$21.83 |
| Director | Exempt | Annual | | \$69,000 |
| | | Monthly | | \$5,750 |
| | | Hourly | | \$33.17 |

| FINANCE DEPARTMENT | | | | |
|---------------------|----------------|---------|----------|----------|
| 2005-2006 | | | | |
| POSITION | | | A | B |
| Clerk I | Non-Exempt 8-5 | Annual | \$17,916 | \$18,812 |
| | | Monthly | \$1,493 | \$1,568 |
| | | Hourly | \$8.61 | \$9.04 |
| Clerk II | Non-Exempt 8-5 | Annual | \$20,592 | \$21,622 |
| | | Monthly | \$1,716 | \$1,802 |
| | | Hourly | \$9.90 | \$10.40 |
| Clerk III | Non-Exempt 8-5 | Annual | \$23,664 | \$24,847 |
| | | Monthly | \$1,972 | \$2,071 |
| | | Hourly | \$11.38 | \$11.95 |
| Accountant | Non-Exempt 8-5 | Annual | \$28,488 | \$29,912 |
| | | Monthly | \$2,374 | \$2,493 |
| | | Hourly | \$13.70 | \$14.38 |
| Human Resources Mgr | Exempt | Annual | \$35,928 | \$37,724 |
| Purchasing Manager | Exempt | Monthly | \$2,994 | \$3,144 |
| Senior Accountant | Exempt | Hourly | \$17.27 | \$18.14 |
| Director | Exempt | Annual | | \$62,000 |
| | | Monthly | | \$5,167 |
| | | Hourly | | \$29.81 |

| COMMUNITY DEVELOPMENT DEPARTMENT | | | | |
|----------------------------------|----------------|---------|----------|----------|
| 2005-2006 | | | | |
| POSITION | | | A | B |
| Code Enforcement Officer | Non-Exempt 8-5 | Annual | \$27,192 | \$28,552 |
| | | Monthly | \$2,266 | \$2,379 |
| | | Hourly | \$13.07 | \$13.73 |
| Building Inspector | Non-Exempt 8-5 | Annual | \$35,928 | \$37,724 |
| | | Monthly | \$2,994 | \$3,144 |
| | | Hourly | \$17.27 | \$18.14 |
| Planner/GIS Tech | Non-Exempt 8-5 | Annual | \$39,420 | \$41,391 |
| | | Monthly | \$3,285 | \$3,449 |
| | | Hourly | \$18.95 | \$19.90 |
| Director | | Annual | | \$57,000 |
| | | Monthly | | \$4,750 |
| | | Hourly | | \$27.40 |

DISCLOSURE OF EMPLOYEE BENEFITS

PAID VACATION: 2 Weeks per fiscal year; 3 Weeks per year after 10 years of service.

SICK LEAVE: 10 Days per fiscal year accumulative to 120 working days.

PAID HOLIDAYS: 11 Holidays per year

WORKER'S COMPENSATION INSURANCE: All employees are covered as of employment date.

FICA CONTRIBUTIONS: Social Security and Medicare tax contributions are maintained on all employees.

GROUP HOSPITALIZATION : Coverage available as of the first day of the month following hire date with the City. City currently pays for employee coverage; dependent coverage available through payroll deductions by means of straight purchase or through the Section 125 Plan.

DENTAL INSURANCE: Coverage available as of the first day of the month following hire date with the City. City currently pays for employee coverage; dependent coverage available through payroll deductions by means of straight purchase or through the Section 125 Plan.

T.M.R.S. RETIREMENT: 6 % payroll deduction with two times matching amount made by City. 20 year retirement with completion of 20 years of creditable service with the Texas Municipal Retirement System.

DEATH BENEFIT: The City provides a death benefit through TMRS in the amount of one times the annual salary.

LONGEVITY PAY: \$4.00 per month for each year of service years 1 through 10. \$6.00 per month for each year after 10 years of service.

TUITION REIMBURSEMENT: \$400.00 per semester for accredited courses completed with a "C" or better. Employees are eligible after completion of one year of service and courses must apply to position.

DEFERRED COMPENSATION/CAFETERIA PLAN: Employees are eligible to participate in a Section 457 Deferred Compensation plan and a Section 125 Cafeteria Plan.

CREDIT UNION: Employees are eligible to enroll with the Members Trust Credit Union.

PAY PLAN: Administered by City Council.

SERVICE AWARDS: Given annually for 5, 10, 15, 20, 25 ... years of service with the City.

UNIFORMS: Furnished to Fire, Ambulance, Cemetery, Parks & Recreation, Police, Street, Landfill, Water, and Wastewater Departments (See Department Director).

BONDS: Professional and general liability is maintained on all employees.

CERTIFICATION PAY: Paid to employees within the Fire, Police and Water/Wastewater Department. The City pays \$30.00 for each certification over the minimum required for a position. A maximum of three certifications will be paid.



HOLIDAY SCHEDULE

| <u>Holiday</u> | <u>2006</u> | <u>2007</u> |
|--|--------------------------------------|------------------------------------|
| 1. Thanksgiving | November 23 rd (Thursday) | |
| 2. Day after Thanksgiving | November 24 th (Friday) | |
| 3. Christmas Holiday | December 22 nd (Friday) | |
| 4. Christmas Holiday | December 25 th (Monday) | |
| 5. New Year's Day | | January 1 st (Monday) |
| 6. Presidents' Day | | February 19 th (Monday) |
| 7. Good Friday | | April 6 th (Friday) |
| 8. Memorial Day | | May 28 th (Monday) |
| 9. Independence Day | | July 4 th (Wednesday) |
| 10. Labor Day | | September 3 rd (Monday) |
| 11. Floating Holiday | | |
| *Taken at employee's discretion, with approval of his/her supervisor.* | | |

CITY OF STEPHENVILLE
Supplemental Pay
FOR FISCAL YEAR 2006-2007

| Certificate Pay | # Employees | Monthly Pay |
|----------------------|-------------|-------------|
| Public Works: | | |
| Water/Wastewater A | 0 | |
| Water/Wastewater B | 7 | 60 |
| Water/Wastewater C | 5 | 30 |
| Chemical Applicator | 1 | 30 |

| | | |
|-----------------------|----|-----|
| Public Safety: | | |
| Paramedic | 16 | 250 |
| Masters | 11 | 90 |
| Advanced | 25 | 60 |
| Intermediate | 15 | 30 |
| Instructor | 5 | 30 |

| Longevity Pay* | # Employees | Current Monthly Pay* |
|-----------------------|-------------|----------------------|
| Year 1 | 14 | 4 |
| Year 2 to 5 | 30 | 4 |
| Year 6 to 10 | 37 | 4 |
| Year 11 to 15 | 12 | 6 |
| Year 16 to 25 | 22 | 6 |
| Year 26 to Retirement | 11 | 6 |
| | 126 | |

* Per month for each year of service .

State law requires \$4 per month for each year of service for public safety.

Health Insurance
FOR FISCAL YEAR 2006-2007

| Coverage | # Employees | Current Monthly Cost Standard Plan |
|-----------|-------------|------------------------------------|
| Employees | 129 | \$359.43 |
| Spouse | 5 | \$525.25 |
| Children | 13 | \$274.25 |
| Family | 1 | \$799.49 |

Dental Insurance
FOR FISCAL YEAR 2006-2007

| Coverage | # Employees | Current Monthly Cost |
|-----------|-------------|----------------------|
| Employees | 129 | \$21.08 |
| Spouse | 20 | \$8.47 |
| Children | 16 | \$4.26 |
| Family | 28 | \$22.80 |

CITY PERSONNEL WHO TAKE HOME CITY VEHICLES

POLICE DEPARTMENT:

1. C.I.D. Investigator on call, who resides within city limits.

PARKS & RECREATION DEPARTMENT:

1. Park Superintendent

CEMETERY DEPARTMENT:

1. Cemetery Superintendent

STREET DEPARTMENT:

1. Street Superintendent
2. On call employee, who resides within city limits.

FIRE DEPARTMENT:

1. Fire Marshal

UTILITIES DEPARTMENT:

1. On call employees (2), who resides within city limits.



SUPPLEMENTAL SCHEDULES

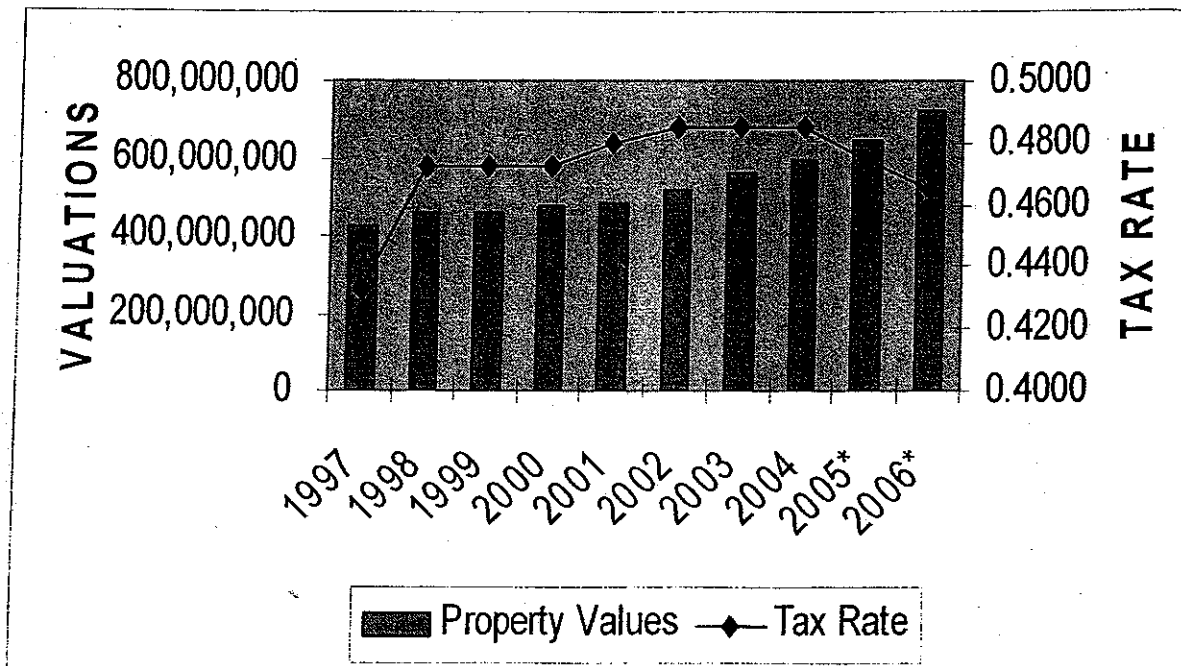
PROPERTY VALUES AND TAX RATE

| <u>FISCAL YEAR</u> | <u>CERTIFIED TAXABLE VALUE</u> | <u>TAX RATE</u> | <u>TAX LEVY</u> | <u>CURRENT TAX COLLECTIONS</u> | <u>PERCENTAGE OF TAX COLLECTIONS</u> |
|----------------------|--------------------------------|-----------------|-----------------|--------------------------------|--------------------------------------|
| GENERAL FUND: | | | | | |
| 1997 | 421,280,613 | 0.3643 | 1,534,721 | 1,501,963 | 97.9% |
| 1998 | 460,710,975 | 0.3377 | 1,555,777 | 1,524,841 | 98.0% |
| 1999 | 462,533,205 | 0.3359 | 1,553,649 | 1,524,298 | 98.1% |
| 2000 | 473,373,460 | 0.3552 | 1,681,423 | 1,648,648 | 98.1% |
| 2001 | 489,359,708 | 0.3678 | 1,799,865 | 1,758,398 | 97.7% |
| 2002 | 518,434,194 | 0.3812 | 1,976,456 | 1,935,202 | 97.9% |
| 2003 | 559,676,816 | 0.3913 | 2,190,015 | 2,199,544 | 100.4% |
| 2004 | 592,209,895 | 0.4106 | 2,431,636 | 2,378,447 | 97.8% |
| 2005* | 645,521,116 | 0.4094 | 2,642,906 | 25,900,048 | 98.0% |
| 2006* | 719,255,771 | 0.3996 | 2,874,433 | 2,816,945 | 98.0% |

DEBT SERVICE:

| | | | | | |
|-------|-------------|--------|---------|---------|-------|
| 1997 | 421,280,613 | 0.0690 | 290,688 | 284,480 | 97.9% |
| 1998 | 460,710,975 | 0.1347 | 620,622 | 608,222 | 98.0% |
| 1999 | 462,533,205 | 0.1365 | 631,383 | 619,431 | 98.1% |
| 2000 | 473,373,460 | 0.1172 | 554,630 | 543,980 | 98.1% |
| 2001 | 489,359,708 | 0.1122 | 548,828 | 536,412 | 97.7% |
| 2002 | 518,434,194 | 0.1038 | 537,950 | 526,953 | 98.0% |
| 2003 | 559,676,816 | 0.0937 | 542,509 | 526,700 | 97.1% |
| 2004 | 592,209,895 | 0.0744 | 440,582 | 430,300 | 97.7% |
| 2005* | 645,521,116 | 0.0656 | 423,319 | 414,853 | 98.0% |
| 2006* | 719,255,771 | 0.0654 | 470,106 | 460,704 | 98.0% |

* Estimated revenue



CERTIFIED TAX ROLL COMPARISON

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2005-2006 DIFFERENCE |
|------------------------------|-------------|-------------|-------------|-------------|---------------|-------------------------|
| LAND MARKET VALUE | 100,218,050 | 135,795,980 | 143,880,150 | 145,299,800 | 183,867,040 | 38,567,240 |
| IMPROVEMENTS | 448,549,120 | 464,161,920 | 497,970,168 | 542,962,460 | 587,395,190 | 44,432,730 |
| PERSONAL PROPERTY | 191,012,036 | 200,815,190 | 194,473,150 | 208,547,990 | 223,169,510 | 14,621,520 |
| MINERALS | | 789,230 | 0 | 0 | 0 | 0 |
| AGRICULTURAL PRODUCTIVITY | | 5,470,750 | 8,593,600 | 8,570,310 | 12,686,240 | 4,115,930 |
| TOTAL MARKET VALUE | 739,779,206 | 807,033,070 | 844,917,068 | 905,380,560 | 1,007,117,980 | 101,737,420 |
| EXEMPT PROPERTY | 155,607,431 | 161,329,405 | 164,390,035 | 169,111,600 | 196,038,400 | 26,926,800 |
| PRODUCTIVITY LOSS | | 5,328,230 | 8,266,660 | 8,238,710 | 12,307,230 | 4,068,520 |
| AG USE | 5,393,000 | | | | | |
| HOMESTEAD CAP LOSS | | 1,105,243 | 440,673 | 799,180 | 1,181,210 | 382,030 |
| TOTAL EXEMPT PROPERTY | 161,000,431 | 167,762,878 | 173,097,368 | 178,149,490 | 209,526,840 | 31,377,350 |
| TOTAL ASSESSED PROPERTY | 578,778,775 | 639,270,192 | 671,819,700 | 727,231,070 | 797,591,140 | 70,360,070 |
| EXEMPTIONS: | | | | | | |
| HOMESTEAD | 0 | 0 | 0 | 0 | 0 | 0 |
| OLD AGE(\$15,000) | 16,428,835 | 15,689,039 | 15,419,642 | 15,034,130 | 14,348,700 | (685,430) |
| DISABLED PERSONS(\$10,000) | 638,940 | 579,800 | 619,950 | 720,000 | 754,340 | 34,340 |
| DISABLED VET(\$3,000) | 1,039,370 | 1,011,381 | 1,014,406 | 1,017,450 | 1,124,810 | 107,360 |
| POLLUTION CONTROL | 65,731 | 277,582 | 208,105 | 285,105 | 295,515 | 10,410 |
| OTHER | | 10,871,565 | 11,174,022 | 11,887,853 | 2,880 | (11,884,973) |
| MINIMUM VALUE | | | | 15,390 | 8,070 | (7,320) |
| FREEDPORT | 41,394,451 | 44,797,917 | 44,878,624 | 49,508,179 | 58,325,855 | 8,817,676 |
| ABATEMENT | 912,434 | 6,366,092 | 6,848,336 | 3,241,847 | 2,365,369 | (876,478) |
| TOTAL EXEMPTIONS | 60,479,761 | 79,593,376 | 80,163,085 | 81,709,954 | 77,225,539 | (4,484,415) |
| NET TAXABLE | 518,299,014 | 559,676,816 | 591,656,615 | 645,521,116 | 720,365,601 | 74,844,485 |
| TAX RATE PER \$100 VALUATION | 0.4850 | 0.4850 | 0.4850 | 0.4750 | 0.4650 | |
| TAX LEVY | \$2,513,750 | \$2,714,433 | \$2,869,535 | \$3,066,225 | \$3,349,700 | \$283,475 |

| City | Population | Total Net Taxable Valuation | Gross Tax Rate | G.O. Bond Indebtedness | Revenue Bond Indebtedness | Total Certificates of Obligation | Municipal Utilities and Facilities |
|-----------------|------------|-----------------------------|----------------|------------------------|---------------------------|----------------------------------|---|
| Denison | 23,379 | 733,999,220 | 0.580370 | 3,425,000 | 18,124,032 | 0 | C L L K M B P P K S S C S L S P W |
| Weatherford | 23,050 | 1,282,410,276 | 0.340300 | 1,210,000 | 34,345,000 | 5,874,000 | C L L K M M B P K S S L S P W |
| Plainview | 23,000 | 694,153,972 | 0.514900 | 0 | 0 | 9,635,000 | A P C E G C L M B P K S S L S P W |
| Alvin | 22,142 | 713,516,249 | 0.803600 | 7,853,407 | 18,471,855 | 988,740 | C L M B P K S S C S L S P W |
| Colleyville | 21,720 | 2,638,121,496 | 0.347400 | 9,925,000 | 12,925,000 | 3,000,000 | C E L M B P K S W |
| Benbrook | 21,646 | 1,036,831,223 | 0.762500 | 13,015,000 | 0 | 60,000 | C C E G C L M B P K S C S P Z Z |
| Kerrville | 21,477 | 1,295,650,219 | 0.557800 | 0 | 3,715,000 | 14,700,000 | A M A P C E G C L L K M B P H P K S S L S P W |
| Alice | 20,000 | 0 | - | 0 | 0 | 9,440,001 | A P G C L L K M B P K S S L S P W |
| Brownwood | 19,467 | 524,908,762 | 0.794600 | 0 | 0 | 22,560,000 | A M A P C E L M B P K S S C S L S P W |
| Stafford | 18,794 | 1,621,153,841 | - | 4,300,000 | 0 | 1,485,000 | C E M B P P K S P |
| Orange | 18,643 | 494,010,641 | 0.810000 | 5,920,000 | 13,430,000 | 1,130,000 | L M B P K S S L S P W |
| Ennis | 18,551 | 1,002,499,338 | 0.730000 | 28,720,770 | 22,034,229 | 8,450,000 | A P C E F G H L L K P K W |
| Bay City | 18,450 | 452,431,896 | 0.511320 | 5,700,200 | 9,519,800 | 0 | A P C E G S P H P K S S L S P W |
| Dickinson | 18,000 | 610,247,661 | 0.434500 | 2,983,000 | 0 | 3,000,000 | L M B S L |
| Corinth | 17,212 | 1,185,660,729 | 0.556980 | 14,761,000 | 0 | 3,089,000 | M B P K S W |
| Little Elm | 17,150 | 969,173,102 | 0.399020 | 14,306,000 | 22,364,000 | 9,015,000 | C E L M B P K S W |
| Leander | 17,000 | 815,151,799 | 0.548291 | 54,581,999 | 2,000,000 | 21,615,000 | G C M B P K S S P W |
| Mineral Wells | 16,968 | 456,900,650 | 0.588530 | 4,800,000 | 9,730,000 | 0 | A P C L M B P K S S P W |
| Terrell | 16,914 | 834,587,541 | 0.650000 | 17,540,000 | 770,000 | 14,070,000 | A P H L L K M B P K S S C S L S P W |
| Uvalde | 16,233 | 434,217,212 | - | 435,000 | 0 | 24,000,000 | A P C C E F G G C G S P K S S L S P W Z Z |
| Sachse | 16,077 | 953,653,412 | 0.558319 | 568,963 | 0 | 5,350,000 | L M B P K S S C W |
| Stephenville | 15,921 | 645,521,116 | 0.475000 | 1,203,000 | 18,915,000 | 1,080,000 | A P C L M B P K S S P W |
| Universal City | 15,821 | 691,932,001 | 0.426487 | 0 | 0 | 5,935,000 | C E G C L M B P K S W |
| Groves | 15,733 | 527,225,625 | 0.742600 | 715,000 | 12,655,000 | 0 | C E L M B P K S S C S L W |
| Donna | 15,611 | 268,567,896 | 0.989138 | 5,314,523 | 8,170,000 | 0 | C L M B P K S S P W |
| Sulphur Springs | 15,081 | 695,057,871 | 0.440000 | 1,075,000 | 1,790,000 | 17,560,000 | A P L L K M B P K S S P W |

Key to Municipal Utilities and Facilities

AM—Auditorium; AP—Airport; C—Cemetery; CE—Civic/Community Center; E—Electric System; FG—Fairgrounds; GC—Golf Course; GS—Gas System; H—Hospital; HR—Boat Harbor; L—Library/Museum; LK—Lake; M—Market; MB—Municipal Building; P—Parking Lot; PH—Public Housing Units; PK—Parks and Recreation; S—Sewer System; SC—Senior Center; SL—Solid Waste Disposal System; SP—Swimming Pool; T—Transit Bus System; TB—Toll Bridge; W—Water System; ZO—Zoo; ZZ—Other

2006 Annual TML Taxation and Debt Survey Results

The Texas Municipal League's annual survey of municipal tax and debt is complete for the 2005-2006 budget year. This year, 636 cities responded to the Municipal Tax and Debt Survey. Please keep in mind that all data in this survey are self-reported, so TML cannot be responsible for errors made by the reporting entities.

Residential and Commercial Water Costs

| Population Group City Name | City Population | Residential Water | | Total Customers | Average Usage | Commercial Water | |
|-------------------------------|--------------------|-------------------|-------------|--------------------|------------------|------------------|--------------|
| | | Fee For | | | | Fee For | |
| | | 5,000 Gal. | 10,000 Gal. | | | 50,000 Gal. | 200,000 Gal. |
| 20,001 - 25,000 | | | | | | | |
| Southlake | 24,555 | 34.41 | 48.16 | 8,636 | 20,565 | 244.34 | 844.34 |
| Watauga | 23,950 | 23.93 | 45.60 | 8,084 | 7,854 | 231.05 | 881.04 |
| Marshall | 23,935 | 21.71 | 39.56 | 9,088 | 5,000 | 197.23 | 732.73 |
| Eagle Pass | 23,506 | 10.25 | 19.00 | 13,274 | 8,300 | 100.70 | 363.20 |
| Harker Heights | 23,400 | 19.05 | 30.65 | 7,104 | 5,400 | 123.45 | 471.45 |
| Weatherford | 23,050 | 23.75 | 41.74 | 9,127 | 6,200 | 189.93 | 725.93 |
| Plainview | 23,000 | 15.00 | 21.75 | 7,781 | 8,770 | 79.50 | 304.50 |
| Denison | 22,773 | 24.78 | 38.28 | 9,214 | 0 | 122.43 | 432.93 |
| Alvin | 22,025 | 16.50 | 30.00 | 5,936 | 5,490 | 150.00 | 600.00 |
| Kerrville | 21,090 | 16.05 | 28.34 | 8,775 | 8,000 | 136.25 | 577.25 |
| Colleyville | 21,085 | 20.61 | 34.96 | 8,022 | 0 | 149.76 | 580.26 |
| 20,001 - 25,000 | Averages | 20.55 | 34.37 | 8,640 | 8,398 | 156.79 | 592.15 |
| 15,001 - 20,000 | | | | | | | |
| Alice | 20,000 | 24.22 | 39.42 | 7,200 | 8,000 | 169.92 | 672.42 |
| Brownwood | 19,400 | 24.93 | 37.37 | 7,343 | 7,480 | 136.82 | 509.83 |
| Orange | 18,643 | 13.43 | 21.63 | 6,337 | 5,000 | 96.99 | 342.99 |
| Angleton | 18,538 | 19.90 | 37.65 | 6,395 | 6,008 | 195.90 | 870.90 |
| Bay City | 18,450 | 16.42 | 25.52 | 6,390 | 10,000 | 98.32 | 371.32 |
| Ennis | 18,350 | 29.51 | 42.86 | 5,473 | 6,854 | 149.66 | 550.16 |
| Pampa | 17,887 | 20.20 | 32.70 | 7,937 | 8,000 | 144.67 | 519.67 |
| Palestine | 17,731 | 14.83 | 25.43 | 7,150 | 13,000 | 124.08 | 458.58 |
| Nederland | 17,422 | 14.00 | 26.50 | 6,529 | 8,000 | 126.50 | 501.50 |
| Leander | 17,000 | 59.12 | 77.12 | 6,321 | 6,000 | 392.98 | 939.28 |
| Mineral Wells | 16,968 | 23.91 | 38.36 | 5,559 | 5,200 | 194.57 | 628.07 |
| Saginaw | 16,550 | 20.64 | 37.19 | 6,072 | 8,000 | 209.67 | 850.17 |
| Portland | 16,535 | 18.84 | 30.04 | 4,726 | 7,200 | 153.83 | 563.33 |
| Gainesville | 15,930 | 23.23 | 37.78 | 5,974 | 5,000 | 253.34 | 742.84 |
| Stephenville | 15,921 | 26.00 | 41.00 | 5,446 | 5,750 | 239.76 | 689.76 |
| Groves | 15,733 | 15.20 | 29.40 | 6,249 | 0 | 143.00 | 572.00 |
| Bellaire | 15,642 | 29.54 | 38.79 | 6,500 | 9,500 | 110.22 | 502.47 |
| Donna | 15,478 | 17.05 | 29.58 | 4,359 | 7,500 | 211.38 | 677.88 |
| 15,001 - 20,000 | Averages | 22.83 | 36.02 | 6,220 | 7,441 | 175.09 | 609.07 |

2005 Water and Wastewater Survey Results

The survey was sent to all 1,082 TML member cities, with 803 cities responding. Information is presented only for cities that provide water and wastewater services to their residents. Information for cities that provide water and wastewater services through municipal utility districts, interlocal agreements, and other private sources is not included in the survey. The information contained in the survey results was provided by the cities, and TML made no attempt to verify the accuracy of information reported. Where no response to a specific question was received, a zero is used to indicate no response; zeroes are not included in the computations of averages.

A total of 670 cities reported that they provide water service to their residents. The average cost of water usage of 5,000 gallons in all cities is \$22.45, an increase over the 2004 average of \$21.75. The average monthly residential consumption in all cities is 6,871 gallons.

Residential and Commerical Wastewater Costs Details

| Population Group City Name | City Population | Residential Sewer Fee For | | Total Customers | Commercial Sewer Fee For | |
|-------------------------------|--------------------|------------------------------|-------------|--------------------|-----------------------------|--------------|
| | | 5,000 Gal. | 10,000 Gal. | | 50,000 Gal. | 200,000 Gal. |
| 20,001 - 25,000 | | | | | | |
| Southlake | 24,555 | 35.16 | 50.16 | 5,469 | 170.16 | 620.16 |
| Watauga | 23,950 | 23.88 | 35.57 | 7,947 | 129.10 | 479.83 |
| Marshall | 23,935 | 23.21 | 41.06 | 8,062 | 183.86 | 719.36 |
| Eagle Pass | 23,506 | 9.13 | 15.63 | 10,998 | 67.63 | 262.63 |
| Harker Heights | 23,400 | 17.92 | 29.17 | 6,044 | 119.17 | 456.67 |
| Weatherford | 23,050 | 21.61 | 47.31 | 8,372 | 222.91 | 882.91 |
| Plainview | 23,000 | 13.50 | 20.00 | 7,298 | 72.00 | 267.00 |
| Denison | 22,773 | 21.74 | 30.79 | 9,198 | 108.09 | 394.59 |
| Alvin | 22,025 | 21.75 | 33.00 | 5,707 | 123.00 | 460.50 |
| Kerrville | 21,090 | 16.65 | 29.80 | 8,063 | 148.00 | 581.50 |
| Colleyville | 21,085 | 13.88 | 22.68 | 7,374 | 93.08 | 357.08 |
| 20,001 - 25,000 | Averages | 19.86 | 32.29 | 7,685 | 130.64 | 498.38 |
| 15,001 - 20,000 | | | | | | |
| Alice | 20,000 | 18.70 | 27.30 | 6,865 | 96.10 | 354.10 |
| Brownwood | 19,400 | 19.76 | 33.02 | 7,311 | 165.11 | 660.43 |
| Orange | 18,643 | 31.20 | 59.40 | 6,172 | 285.00 | 1,131.00 |
| Angleton | 18,538 | 17.00 | 29.50 | 6,237 | 152.50 | 647.50 |
| Bay City | 18,450 | 19.68 | 37.73 | 5,950 | 182.13 | 723.63 |
| Ennis | 18,350 | 21.86 | 21.86 | 5,146 | 93.25 | 325.75 |
| Pampa | 17,887 | 14.09 | 17.96 | 7,368 | 72.14 | 265.64 |
| Palestine | 17,731 | 24.90 | 46.40 | 6,506 | 230.40 | 875.40 |
| Nederland | 17,422 | 14.90 | 26.90 | 6,532 | 122.90 | 482.90 |
| Leander | 17,000 | 25.56 | 38.16 | 5,679 | 229.69 | 607.68 |
| Mineral Wells | 16,968 | 30.22 | 52.47 | 4,948 | 230.47 | 897.97 |
| Saginaw | 16,550 | 18.36 | 28.16 | 6,016 | 177.41 | 688.91 |
| Portland | 16,535 | 18.66 | 22.96 | 4,471 | 121.06 | 250.06 |
| Gainesville | 15,930 | 27.53 | 40.73 | 5,711 | 162.39 | 601.89 |
| Stephenville | 15,921 | 20.92 | 33.07 | 5,211 | 130.27 | 494.77 |
| Groves | 15,733 | 15.35 | 28.70 | 6,249 | 135.50 | 542.00 |
| Bellaire | 15,642 | 10.47 | 19.42 | 6,500 | 108.19 | 520.94 |
| Donna | 15,478 | 17.12 | 24.52 | 4,170 | 165.74 | 626.54 |
| 15,001 - 20,000 | Averages | 20.35 | 32.68 | 5,947 | 158.90 | 594.28 |

2005 Water and Wastewater Survey Results

The survey was sent to all 1,082 TML member cities, with 803 cities responding. Information is presented only for cities that provide water and wastewater services to their residents. Information for cities that provide water and wastewater services through municipal utility districts, interlocal agreements, and other private sources is not included in the survey. The information contained in the survey results was provided by the cities, and TML made no attempt to verify the accuracy of information reported. Where no response to a specific question was received, a zero is used to indicate no response; zeroes are not included in the computations of averages.

Wastewater service is provided in 631 of the cities responding to the survey. The average cost of wastewater service for residential usage of 5,000 gallons is \$20.76, an increase over last year's average of \$17.16.



BUDGET GLOSSARY

Budget Glossary

The Annual Budget contains specialized and technical terminology that is unique to public finance and budgeting. To help the reader of the 2005-06 Annual Budget document to better understand these terms, a budget glossary has been included.

Account: A term used to identify an individual asset, liability, expenditure control, revenue control, encumbrance control, or fund balance.

Accounting System: Records and procedures which are used to record, classify and report information on the financial status and operations of the entity.

Accrual Basis of Accounting: A basis of accounting under which revenues are recorded when earned and expenditures are recorded as soon as they result in liabilities for benefits received, notwithstanding that the receipt of the revenue or the payment of the expenditure may take place, in whole or in part, in another accounting period.

Activity: A specific and distinguishable line of work performed by one or more organizational components of a governmental unit for the purpose of accomplishing a function for which the governmental unit is responsible. See also **Function**.

Ad Valorem Taxes: In proportion to value. A basis for levy of taxes upon property. See **Property Taxes**.

Amended Budget: Includes the adopted budget for a fiscal year, plus any budget amendments or budget transfers.

Appraised Value (Assessed Valuation): The value of real and/or personal property assigned by the assessor as a basis for the levying of property taxes. (Property values are established by the Erath County Tax Appraisal District.)

Appropriation: An authorization granted by the legislative body to make expenditures and to incur obligations for specific purposes.

Assets: Resources owned or held by the City, which have a monetary value.

Authorized Positions: Employee positions, which are authorized in the adopted budget, to be filled during the year.

Available (Undesignated) Fund Balance: This refers to the funds remaining from the prior year, which are available for appropriation and expenditure in the current year.

Base Budget: Cost of continuing the existing levels of service in the current budget year.

Bond: A long-term IOU or promise to pay a sum of money (the face amount of the bond) on a specific date(s) (the bond maturity date) at a specified interest rate.

Bonded Debt: That portion of indebtedness represented by outstanding bonds.

Bond Ordinance: An ordinance or resolution authorizing a bond issue.

Bond Refinancing: The pay-off and re-issuance of bonds, to obtain better interest rates and/or bond conditions.

Budget: An annual plan of financial operation embodying an estimate of proposed expenditures and the estimated means of financing them. The approved budget is authorized by ordinance and thus specifies the legal spending limits for the fiscal year.

Budget Calendar: The schedule of key dates which the City follows in the preparation and adoption of the budget.

Budget Document: The instrument used by the budget-making authority to present a comprehensive financial plan of operations to the City Council.

Budget Message: The opening section of the budget which provides the City Council and the public with a summary of the most important aspects of the budget, changes from previous years and views and recommendations of the City Administrator.

Budget Ordinance: The official enactment, by the City Council, to legally authorize the City Staff to obligate and expend the resources of the City.

Capital Improvements Program (CIP): A long-range plan for providing the capital outlays necessary to ensure that adequate services are provided the residents

of the City. The plan includes improvements to, or the acquisition of, structural improvements and major equipment purchases.

Capital Projects Fund: A fund created to account for financial resources to be used for the acquisition and/or the construction of major capital facilities or equipment.

Capital Outlays: Expenditures for items which have a useful life in excess of one year and a purchase cost of at least \$1,000. Included in this category is the cost of land; buildings, permanent improvements, machinery, large tools, rolling and stationary equipment.

Cash Basis of Accounting: The basis of accounting in which transactions are recorded when cash is either received or disbursed.

Cash Management: The proper management of the cash necessary to pay for government services while investing temporary, idle, excess cash in order to earn interest revenue.

Certificates of Obligation (CO's): Bonds that finance a variety of public improvement projects which can be backed by general revenues, backed by a specific revenue stream, or a combination of both. Certificates of obligation will be used to fund capital assets where bond issues are not warranted as a result of the cost of the asset(s) to be funded through the instrument. This type of bond generally does not require voter approval.

City Charter: The document that establishes the City as an incorporated political subdivision (municipal government) in accordance with the statutes of the State of Texas.

Contingency: A budgetary reserve set aside for emergencies or unforeseen expenditures.

Current Taxes: Taxes that are due within one year.

Debt Service Fund: The fund used to account for the payment of principal and interest on all long-term debt.

Delinquent Taxes: Real or personal property taxes that remain unpaid on or after February 1st of each year upon which penalties and interest are assessed.

Department: A major administrative organizational unit of the City, which indicates overall management responsibility of one or more activities.

Deficit: The excess of expenditures over revenues during an accounting period.

Depreciation: The process of estimating and recording the expired useful life of a fixed asset which is used to distribute its cost over its revenue producing years.

Encumbrance: The commitment of appropriate funds to purchase an item or service. To encumber funds means to set aside or commit funds for specified future expenditure.

Enterprise Fund: A fund established to finance and account for operations (1) that are financed and operated in a manner similar to private business enterprises- where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Erath County Appraisal District: An entity established by the State of Texas to ensure uniform property appraisals for all taxing entities in Erath County.

Expenditure: Funds spent in accordance with the budgeted appropriations on assets or goods and services obtained.

Expenses: A decrease in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

Fiscal Year: A 12-month period to which the annual operating budget applies. (The City of Stephenville has established October 1 through September 30 as its fiscal year.)

Fixed Asset: Assets of a long-term character, which are intended to continue to be held or used. Examples of fixed assets include items such as land, buildings, machinery, furniture and other equipment.

Franchise Fee: A fee paid by public service businesses for the use of City streets, alleys and property in providing their services to the citizens of the City. Services

requiring franchises include electricity, telephone, natural gas, cable television, sanitation, taxicab, water and wastewater.

Full Faith and Credit: A pledge of the general taxing power of the City to repay debt obligations (the term typically used in reference to bonds.)

Full Time Equivalent (FTE): A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year, or full value of one for a full-time position.

Function: A group of related activities aimed at accomplishing a major service for which the City is responsible. For example, public safety is a function.

Fund: An accounting entity with a self-balancing set of accounts that record financial transactions for specific activities or government functions.

Fund Balance: The excess of assets over liabilities and reserves.

General Fund: The fund established to account for those resources devoted to financing the general administration of the City and traditional services provided to citizens. Service activities include fire and police protection, streets, drainage, park maintenance and recreational activities.

General Ledger: A listing of various accounts, which are necessary to reflect the financial position of a fund.

Generally Accepted Accounting Principles (GAAP): The uniform minimum standards and guidelines for financial accounting and reporting. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).

General Obligation Bonds: Bonds that finance a variety of public improvement projects, which pledge the full faith, credit and taxing power of the City. This type of bond requires voter approval.

Grants: Contributions or gifts of cash or other assets from another government to be used or expended for a specific purpose, activity or facility.

Impact Fees: Fees assessed to developers to help defray a portion of the costs that naturally result from increased development. By Texas law, these fees must be used for capital acquisition or debt service relating to capital projects.

Infrastructure: Roads, bridges, curbs and gutters, street, sidewalks, drainage systems, lighting systems, water lines, wastewater lines and other improvements that are installed for the common good.

Intrafund Transfers: Funds transferred from one fund to another fund for specific purposes: i.e., debt service, reimbursement for services.

Intergovernmental Revenue: Funds received from federal, state and other local government sources in the form of grants, shared revenues and payments in lieu of taxes.

Investments: Securities purchased and held for the production of income in the form of interest, dividends, rentals or base payments.

Invoice: A bill requesting payment for goods or services by a vendor or other governmental unit.

Levy: To impose taxes, special assessments, or service charges for the support of City activities.

Liabilities: Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded at some future date. This term does not include encumbrances.

Line-Item Budget: A budget prepared along departmental lines that focus on what is to be bought.

Modified Accrual Accounting: A basis of accounting in which expenditures are accrued, but revenues are accounted for on a cash basis. This accounting technique is combination of cash and accrual accounting since expenditures are immediately incurred as a liability, while revenues are not recorded until they are actually received.

Object of Expenditure: An expenditure classification, referring to the lowest and most detailed level of classification, such as electricity, office supplies, asphalt, and furniture.

Objective: Desired output oriented accomplishments, which can be measured and achieved within a given time frame.

Operating Budget: Operating budgets serve many purposes within a governmental entity, but they have two primary purposes: (1) to plan the services that are going to be offered during the coming year and set priorities; (2) to conform with legal requirements to ensure that expenditures do not exceed those appropriated. Operating budgets are also called Annual Budgets. See **Budget**.

Ordinance: A formal legislative enactment by the governing board of a municipality.

Pay-as-you-go Basis: A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

Performance Measure: Data collected to determine how effective or efficient a program is in achieving its objectives.

Personnel Costs: Costs related to compensating employees including salaries, wages, insurance, payroll taxes and retirement contributions.

Property Tax: Ad valorem tax levied on both real and personal property according to the property's valuation and the tax rate.

Real Property: Property classified by the State Property Tax Board including residential single and multi-family, vacant lots, acreage, farm and ranch improvements, commercial and industrial, and oil, gas and other mineral reserves.

Refunding Bonds: Bonds issued to retire bonds already outstanding. The refunding bonds may be sold for cash and outstanding bonds redeemed in cash, or the refunding bonds may be exchanged with holders of outstanding bonds.

Reserves: An account used to indicate that a portion of a fund balance is restricted for a specific purpose.

Resolution: A special or temporary order of the City; an order of the City requiring less legal formality than an ordinance.

Retained Earnings: The equity account reflecting the accumulated earnings of the Proprietary Funds.

Revenue: Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, shared revenues and interest income.

Revenue Bonds: Bonds whose principal and interest are payable exclusively from a revenue enterprise or project, pledged as the funding source before issuance.

Services: Operational expenses related to professional or technical services and other outside organizations.

Special Assessment: Charges imposed against property because that property receives a special benefit by virtue of some public improvement, separate and apart from the general benefit accruing to the public at large.

Special Revenue Fund: A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes.

Supervisory Control and Data Acquisition (SCADA): Electronic monitoring of water pump stations, sewer lift stations, pumps and motors at the wastewater treatment plant.

Surplus: The excess of the assets of a fund over its liabilities, or if the fund has other resources and obligations; the excess of resources over the obligations. The term should not be used without a properly descriptive adjective unless its meaning is apparent from the context. See also Fund Balance.

Tax Base: The total value of all real, personal and mineral property in the City as of January 1st of each year, as certified by the Erath County Appraisal District. The tax base represents net value after all exemptions.

Tax Levy: The total amount to be raised by general property taxes for purposes specified in the Tax Levy Ordinance.

Tax Levy Ordinance: An ordinance by means of which taxes are levied.

Tax Rate: The amount of tax stated in terms of a unit of the tax base; for example, 44 cents per \$100 of assessed valuation of taxable property.

Tax Roll: The official list showing the amount of taxes levied against each taxpayer or property.

Transfers In/Out: Amounts transferred from one fund to another to assist in financing the services or programs for the recipient fund.

User Charges: The payment of a fee for a direct receipt of a public service by the party benefiting from the service.

Unencumbered Fund Balance: For budget purposes, the unencumbered fund balance is the amount of undesignated fund balance of a fund available for allocation.

Unreserved Fund Balance: The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

Unreserved Fund Balance: The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

Working Capital: For enterprise funds, the excess of current assets over current liabilities. Working capital of a fund is important because budgeted expenditures of the fund must be provided for from cash receipts during the year supplemented by working capital carried over from prior years, if any.

